S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Aditya Birla Insurance Brokers Limited

Report on the Ind AS Financial Statements

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, 2017, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with Rule 7 of the Companies (Accounts) Rules, 2014 and 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 control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS 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 of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes

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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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit including other comprehensive income, its cash flows and the changes in equity 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 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 purpose of our audit;

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

(c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 2 to this report;

(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, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26(C)2 to the financial statements;

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

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iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

iv. As per books of accounts of the Company and as represented by the management of the Company, the Company did not have cash balance as on November 8, 2016 and December 30, 2016 and has no cash dealings during this period – Refer Note 26 (C) 12 to the financial statements

3. We report that as required by regulation 29(6) of the Insurance Regulatory Development Authority (Insurance Brokers) Regulations, 2013 ("IRDA Regulations"), the Company has complied with IRDA regulations with specific reference to regulation no. 9, 11, 12, 13, 25 and 27 for the period April 1, 2016 to March 31, 2017.

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

Sarvesh Warty.

per Sarvesh Warty
Partner
Membership Number: 121411
Place of Signature: Mumbai
Date: 26 April 2017

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) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified 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 / taken any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (iii) (a), 3 (b) and 3 (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 from the public.

(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, service tax, and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in one case of Income Tax (TDS). 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, service 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 records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

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	2006-2007	Income Tax Appellate Tribunal (ITAT)*

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

(viii) The Company has not taken any loans or borrowings from financial institutions, banks, government or debenture holders.

(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.

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(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

Sarvesh Warty.

per Sarvesh Warty
Partner
Membership Number: 121411
Place: Mumbai
Date: 26 April 2017

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

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, 2017 in conjunction with our audit of the standalone 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 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 was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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

Sarvesh Warty

per Sarvesh Warty
Partner
Membership Number: 121411
Place of Signature: Mumbai
Date: 26 April 2017

Aditya Birla Insurance Brokers Limited
Balance Sheet as at March 31, 2017

Sr no	Particulars	Notes	March 31, 2017 Rs.	March 31, 2016 Rs.	April 01, 2015 Rs.
	Assets				
(1)	**Non Current assets**				
	(a) Property, plant and equipment	1A	6,82,25,601	2,08,53,946	2,04,75,428
	(b) Capital work in progress		-	-	12,86,948
	(c) Other intangible assets	1B	2,81,95,236	2,34,04,571	1,12,92,303
	(d) Intangible assets under development		79,91,019	87,21,494	52,84,377
	(e) Financial assets				
	(i) Loans	2	1,35,03,723	1,24,10,899	1,27,94,919
	(ii) Others	3	1,17,63,325	1,09,78,098	1,01,61,917
	(f) Deferred tax asset (net)	4	2,53,13,698	1,97,09,326	20,24,482
	(g) Other non current assets - (non financial)	5	41,73,739	14,79,407	18,54,017
			15,91,66,341	9,75,57,741	6,51,74,391
(2)	**Current assets**				
	(a) Financial assets				
	(i) Current investments	6	21,11,62,683	9,25,86,670	4,85,52,896
	(ii) Trade and other receivables	7	16,91,31,376	10,44,97,211	7,64,76,402
	(iii) Cash and cash equivalents	8	4,14,52,279	6,47,46,213	1,60,71,703
	(iv) Loans	9	30,16,20,900	39,38,78,361	36,53,48,921
	(b) Assets for current tax (net)	10A	1,06,83,541	4,91,16,080	5,82,12,758
	(c) Other current assets (non financial)	11	4,65,48,032	1,90,31,486	1,39,65,152
			78,05,98,811	72,38,56,021	57,86,27,832
	Total assets		93,97,65,152	82,14,13,762	64,38,02,223
	EQUITY AND LIABILITIES				
(1)	**Equity**				
	(a) Equity share capital	12	2,70,00,000	2,70,00,000	2,70,00,000
	(b) Other equity	13	56,42,89,158	50,94,09,519	45,51,90,430
	Total equity		59,12,89,158	53,64,09,519	48,21,90,430
(2)	**Non-current liabilities**				
	(a) Long term provisions	14	-	-	1,27,45,085
	(b) Other non current liabilities (non financial)	15	3,20,524	1,83,290	1,39,946
			3,20,524	1,83,290	1,28,85,031
(3)	**Current liabilities**				
	(a) Financial liabilities				
	Trade and other payables	16	24,38,22,139	17,18,82,555	10,56,96,445
	(b) Other current liabilities (non financial)	17	6,82,23,557	5,27,46,563	41,67,512
	(c) Short term provisions	18	2,07,42,844	4,35,66,359	2,37,65,333
	(d) Liabilities for current tax (net)	10B	1,53,66,930	1,66,25,476	1,50,97,472
			34,81,55,470	28,48,20,953	14,87,26,762
	Total liabilities		34,84,75,994	28,50,04,243	16,16,11,793
	Total equity and liabilities		93,97,65,152	82,14,13,762	64,38,02,223

Significant accounting policies and other notes to accounts 26

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 Registration No. : 101049W/E300004
Chartered accountants

Sarvesh Warty

Per Sarvesh Warty
Partner
Membership No: 121411
Place: Mumbai
Date: April 26, 2017

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

Director
(DIN-00121181)
AJAY SRINIVASAN

Director
(DIN- 00060017)
SUSHIL SIV

Company Secretary

Head
(Finance & Operations)

Place: Mumbai
Date: April 26, 2017

S.R. BATLIBOI & ASSOCIATES LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

Aditya Birla Insurance Brokers Ltd. ★ MUMBAI

Aditya Birla Insurance Brokers Limited
Statement of Profit & Loss and Other Comprehensive Income for the year ended March 31, 2017

Sr no	Particulars	Notes	March 31, 2017 Rs.	March 31, 2016 Rs.
1	**Income from operations:**			
	Income from operations	19	1,21,08,87,530	96,78,11,706
	Other Income	20	5,43,98,233	4,98,93,337
	Total income		**1,26,52,85,763**	**1,01,77,05,043**
2	**Expenses:**			
	(a) Employee benefits expenses	21	42,14,01,955	34,07,30,541
	(b) Depreciation and amortisation expenses	22	2,97,60,949	1,91,17,967
	(c) Other expenses	23	42,69,20,406	33,43,76,184
	Total expenses		**87,80,83,310**	**69,42,24,692**
3	**Profit from operations before exceptional items**		**38,72,02,453**	**32,34,80,351**
4	Exceptional items		-	-
5	**Profit before tax from continuing operations**		**38,72,02,453**	**32,34,80,351**
6	Income tax expenses	24		
	Current tax		14,36,96,200	13,31,00,438
	Income tax for prior years		(12,18,787)	(87,641)
	Deferred tax charge - (Net)		(56,04,372)	(1,76,84,844)
			13,68,73,041	11,53,27,953
7	**Profit for the year from continuing operations**		**25,03,29,412**	**20,81,52,398**
8	Other comprehensive income - Items that will not reclassified to profit or loss in subsequent periods (Remeasurement gains/losses on defined benefit plans)	25	(37,78,310)	42,27,471
9	**Total comprehensive income for the year**		**24,65,51,102**	**21,23,79,869**
10	**Earnings per share of Rs. 10 each** **(not annualised)**			
	(a) Basic - Rs.		**92.71**	**77.09**
	(b) Diluted - Rs.		**92.71**	**77.09**

Significant accounting policies and other notes to accounts **26**

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 Registration No. : 101049W/E300004
Chartered Accountants

Sarvesh Warty

Per **Sarvesh Warty**

Partner

Membership No: 121411
Place: Mumbai
Date: April 26, 2017

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

Director	**Director**	**Company Secretary**	**Head**
(DIN-00121181)	(DIN- 00060017)		(Finance & Operations)
Ajay Srinivasan	Sushil Agarwal		

Place: Mumbai
Date: April 26, 2017

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

Aditya Birla Insurance Brokers Ltd. * MUMBAI

ADITYA BIRLA INSURANCE BROKERS LIMITED

Cash flow statement for the year ended March 31, 2017

Sr no	Particulars	March 31, 2017		March 31, 2016	
		Rs.	Rs.	Rs.	Rs.
A.	**Cash flow from operating activities**				
	Profit before tax and extraordinary items		38,72,02,453		32,34,80,351
	Adjustments for non-cash items:				
	Depreciation	2,97,60,949		1,91,17,967	
	Adjustment for:				
	Provision for leave encashment	(3,67,996)		(19,54,755)	
	Other Comprehensive Income	(37,78,310)		42,27,471	
	Provision for deferred employees benefits	(2,87,81,013)		2,59,94,112	
	(Gain) / Loss due to foreign exchange	8,47,662		2,22,393	
	(Profit)/ Loss on sale of fixed asset	6,98,639		28,992	
	(Gain) /Loss on sale of investments	(1,09,44,574)		(68,83,774)	
	MTM of investments measured at FVTPL- Loss	22,68,561		-	
	Interest income	(4,28,90,540)	(5,31,86,622)	(4,26,93,832)	(19,41,426)
	Operating profit before working capital changes		33,40,15,831		32,15,38,925
	Movement in working capital:				
	(Increase)/decrease in current assets	(8,98,93,251)		(3,16,16,582)	
	Increase/(decrease) in current liabilities	9,37,42,073	38,48,822	11,05,26,832	7,89,10,250
	Movement in other non-current assets/liabilities and provisions:				
	(Increase)/Decrease in rental and other security deposits	(37,87,157)		7,58,630	
	Increase/(Decrease) in other long-term liabilities and provisions	1,37,234	(36,49,923)	(1,27,01,741)	(1,19,43,111)
	Cash generated from operations		33,42,14,730		38,85,06,064
	Less: Direct taxes paid		10,53,03,423		12,23,88,116
	Net cash flow in operating activities		22,89,11,307		26,61,17,948
B.	**Cash flow from investing activities**				
	Purchase of tangible fixed assets		(6,41,90,206)		(93,61,086)
	Purchase of intangible fixed assets		(1,84,43,161)		(2,53,62,844)
	Net proceed from sale of tangible fixed assets		7,41,937		9,36,016
	Investments in mutual funds units		(1,50,20,73,841)		(1,03,37,00,000)
	Proceed from sale of investments in mutual fund units		1,39,21,73,842		99,65,49,998
	Gain/(loss) due to foreign exchange		(8,47,662)		(2,22,393)
	Interest received		4,21,05,313		4,18,77,651
	Intercorporate deposits received back during the year		9,00,00,000		10,00,00,000
	Intercorporate deposits placed during the year				(13,00,00,000)
	Net cash flow in investing activities		(6,05,33,778)		(5,92,82,658)
C.	**Cash flow from financing activities**				
	Dividend paid on equity shares		(15,92,51,587)		(13,14,09,000)
	Tax paid on equity dividend		(3,24,19,876)		(2,67,51,780)
	Net cash flow in financing activities		(19,16,71,463)		(15,81,60,780)
	Net Increase/(decrease) in cash and cash equivalents (A+B+C)		(2,32,93,934)		4,86,74,510
	Cash and cash equivalents (opening balance)		6,47,46,213		1,60,71,703
	Cash and cash equivalents (closing balance)		4,14,52,279		6,47,46,213
	Net increase/(decrease) as disclosed above		(2,32,93,934)		4,86,74,510

Notes to cash flow statement:

1	**Cash and cash equivalents include**		
	Cash in hand	-	-
	Balances with banks	4,14,52,279	6,47,46,213
		4,14,52,279	6,47,46,213

2 Bank balance in current accounts includes Rs 2,65,72,577 (Previous Year Rs. 4,35,51,186) 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 Registration No. : 101049W/E300004
Chartered Accountants

Sarvesh Warty

Per Sarvesh Warty
Partner
Membership No: 121411
Place: Mumbai
Date: April 26, 2017

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

Director	Director	Company Secretary	Head
(DIN-00121181)	(DIN- 00060017)		(Finance & Operations)

Ajay Srinivasan   Sushil Agarwal

Place: Mumbai
Date: April 26, 2017

S.R. BATLIBOI & ASSOCIATES LLP MUMBAI CHARTERED ACCOUNTANTS

Aditya Birla Insurance Brokers Ltd. MUMBAI

Aditya Birla Insurance Brokers Limited

Statement of changes in Equity for the year ended 31st March, 2017

(A) Equity share capital

For the year ended March 31, 2017

Particulars	Notes	Amount (Rs.)
As at April 01, 2015	12	2,70,00,000
Changes in equity share capital		-
As at March 31, 2016	12	2,70,00,000
Changes in equity share capital		-
As at March 31, 2017	12	**2,70,00,000**

(B) Other equity

For the year ended March 31, 2017

Particulars	Notes	Attributables to shareholders		Total equity
		Retained earnings	General reserve	
Balance at April 01, 2015	13	40,65,96,832	4,85,93,598	45,51,90,430
Profit for the year		20,81,52,398	2,12,96,829	22,94,49,227
Other comprehensive income(Remeasurement gains/(loss) on defined benefit plan		42,27,471	-	42,27,471
Total comprehensive income for the year		21,23,79,869	2,12,96,829	23,36,76,698
Transfer to general reserve		(2,12,96,829)	-	(2,12,96,829)
Dividend and taxes paid		(15,81,60,780)	-	(15,81,60,780)
Balance at March 31, 2016	13	43,95,19,092	6,98,90,427	50,94,09,519
Profit for the year		25,03,29,412	-	25,03,29,412
Other comprehensive income(Remeasurement gains/(loss) on defined benefit plan		(37,78,310)	-	(37,78,310)
Total comprehensive income for the year		24,65,51,102	-	24,65,51,102
Transfer to general reserve		-	-	-
Dividend and taxes paid		(19,16,71,463)	-	(19,16,71,463)
Balance at March 31, 2017	13	**49,43,98,731**	**6,98,90,427**	**56,42,89,158**

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

Sarvesh Warty.

Per **Sarvesh Warty**
Partner
Membership No: 121411
Place: Mumbai
Date: April 26, 2017

S.R. BATLIBOI & ASSOCIATES LLP * CHARTERED ACCOUNTANTS MUMBAI

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

Director	Director	Company Secretary	Head
(DIN-00121181)	(DIN- 00060017)		(Finance & Operations)
Ajay Sir	Sushil Sir		

Place: Mumbai
Date: April 26, 2017

Aditya Birla Insurance Brokers Ltd. * MUMBAI

Aditya Birla Insurance Brokers Limited

Reconciliation of net profit as previously reported on account of transition from previous Indian GAAP to Ind AS for the year ended March 31, 2016.

Particulars	March 31, 2016 Rs.
Profit after tax as per I GAAP	**21,29,68,292**
Add/ (Less) GAAP Adjustments	
(i) Amortization of deferred lease & employee loans (long term deposits)	(9,78,255)
(ii) Notional interest income on deposits	9,32,810
(iii) Impact of provision for debtors per ECL model	(28,08,225)
(iv) Impact of valuation of investments at Fair Value	19,53,803
(v) Other Comprehensive Income	(42,27,471)
(vi) Deferred tax	3,11,444
Subtotal	**(48,15,894)**
Profit after tax as per Ind AS	**20,81,52,398**

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Aditya Birla Insurance Brokers Ltd. ★ MUMBAI

ADITYA BIRLA INSURANCE BROKERS LIMITED

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, 2015	1,46,544	1,23,31,468	38,56,159	41,41,264	2,04,75,435
Additions during the year	12,97,496	90,20,734	3,29,804	-	1,06,48,034
Deletions/Adjustments during the year	-	90,068	-	10,94,304	11,84,372
As at March 31, 2016	**14,44,040**	**2,12,62,134**	**41,85,963**	**30,46,960**	**2,99,39,097**
Additions during the year	2,53,96,324	91,43,609	41,66,973	2,54,83,300	6,41,90,206
Deletions/Adjustments during the year	-	7,20,048	11,25,895	11,94,277	30,40,220
As at March 31, 2017	**2,68,40,364**	**2,96,85,695**	**72,27,041**	**2,73,35,983**	**9,10,89,083**
Depreciation					
Additions during the year	1,95,481	67,12,824	11,86,972	12,09,231	93,04,508
Deletions/Adjustments during the year	-	15,335	-	2,04,025	2,19,360
As at March 31, 2016	**1,95,481**	**66,97,489**	**11,86,972**	**10,05,206**	**90,85,148**
Additions during the year	22,44,645	73,08,221	19,49,469	38,75,643	1,53,77,978
Deletions/Adjustments during the year	-	6,14,648	3,06,352	6,78,644	15,99,644
As at March 31, 2017	**24,40,126**	**1,33,91,062**	**28,30,089**	**42,02,205**	**2,28,63,482**
Net book amount as at March 31, 2017	**2,44,00,238**	**1,62,94,633**	**43,96,952**	**2,31,33,778**	**6,82,25,601**
Net book amount as at March 31, 2016	**12,48,559**	**1,45,64,645**	**29,98,991**	**20,41,751**	**2,08,53,946**
Net book amount as at April 01, 2015	**1,46,544**	**1,23,31,468**	**38,56,159**	**41,41,257**	**2,04,75,428**

Note 1B: Intangible assets

(Amount in Rs.)

Particulars	Computer software	Market know-how	Non-compete fee	Total
Gross Block				
As at April 01, 2015	93,46,085	19,46,219	-	1,12,92,304
Additions during the year	2,19,25,726	-	-	2,19,25,726
Deletions/Adjustments during the year	-	-	-	-
As at March 31, 2016	**3,12,71,811**	19,46,219	**-**	**3,32,18,030**
Additions during the year	1,91,73,636	-	-	1,91,73,636
Deletions/Adjustments during the year				-
As at March 31, 2017	**5,04,45,447**	19,46,219	**-**	**5,23,91,666**
Amortization				
Additions during the year	78,67,240	19,46,219	-	98,13,459
Deletions/Adjustments during the year	-	-	-	-
As at March 31, 2016	**78,67,240**	19,46,219	**-**	**98,13,459**
Additions during the year	1,43,82,971	-	-	1,43,82,971
Deletions/Adjustments during the year				-
As at March 31, 2017	**2,22,50,211**	19,46,219	**-**	**2,41,96,430**
Net book amount as at March 31, 2017	**2,81,95,236**	-	**-**	**2,81,95,236**
Net book amount as at March 31, 2016	**2,34,04,571**	-	**-**	**2,34,04,571**
Net book amount as at April 01, 2015	**93,46,085**	19,46,219	-	**1,12,92,303**

ADITYA BIRLA INSURANCE BROKERS LIMITED

Notes forming part of Balance Sheet

Note 2: Financial assets- loans (carried at amortized cost)

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.	April 01, 2015 Rs.
(Unsecured, considered good, except otherwise stated)			
Rental security deposits	1,34,48,400	1,23,55,576	1,27,19,596
Other security deposits	55,323	55,323	75,323
	1,35,03,723	**1,24,10,899**	**1,27,94,919**

Note 3: Financial assets- others (carried at amortized cost)

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.	April 01, 2015 Rs.
Other bank balances - including interest accrued but not due	1,17,63,325	1,09,78,098	1,01,61,917
(Fixed deposits with banks marked lien in favour of IRDA)			
	1,17,63,325	**1,09,78,098**	**1,01,61,917**

Note 4: Deferred tax asset/(liability)

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.	April 01, 2015 Rs.
Deferred tax asset/(liability):			
On account of accumulated depreciation and amortization	(17,91,100)	(15,04,800)	1,92,600
On account of provision for doubtful debts and other provisions	2,72,42,100	2,15,89,500	25,18,700
Others- Ind AS Adjustments	(1,37,302)	(3,75,374)	(6,86,818)
Net deferred tax (liability) / asset	**2,53,13,698**	**1,97,09,326**	**20,24,482**

Note 5: Other non current assets- (non financial)

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.	April 01, 2015 Rs.
Advance against capital expenditure	11,540	-	-
Deferred Staff Cost	3,893	(12,436)	6,963
Deferred Rent Expenses	41,58,306	14,91,843	18,47,054
	41,73,739	**14,79,407**	**18,54,017**

Note 6: Financial assets -current investments

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.	April 01, 2015 Rs.
Unquoted:			
Investment in mutual fund units	21,11,62,683	9,25,86,670	4,85,52,896
(No of units 31 March 2017: 10,00,239.63 , 31 March 31 March 2016: 4,02,703, 1 April 2015: 238,336.5840 - at fair value through profit and loss)			
	21,11,62,683	**9,25,86,670**	**4,85,52,896**

Note 7: Financial assets -trade and other receivables

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.	April 01, 2015 Rs.
Secured considered good	-	-	-
Unsecured, considered good	16,91,31,376	10,44,97,211	7,64,76,402
Unsecured, considered doubtful	1,13,63,998	98,85,055	64,28,470
	18,04,95,374	11,43,82,266	8,29,04,872
Less: Allowance for bad and doubtful debts	1,13,63,998	98,85,055	64,28,470
	16,91,31,376	10,44,97,211	7,64,76,402
	16,91,31,376	**10,44,97,211**	**7,64,76,402**

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Aditya Birla Insurance Brokers Ltd. ★ MUMBAI

ADITYA BIRLA INSURANCE BROKERS LIMITED

Notes forming part of Balance Sheet

Note 8: Financial assets - cash and cash equivalents

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.	April 01, 2015 Rs.
Cash and cash equivalents:			
Cash on hand	-	-	-
Cheques on hand	-	-	-
Balance with banks - On current account	4,14,52,279	6,47,46,213	1,60,71,703
	4,14,52,279	**6,47,46,213**	**1,60,71,703**

Note 9: Financial assets -loans (Carried at amortized cost)

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.	April 01, 2015 Rs.
Advances and other receivables from employees:			
Unsecured, considered good	2,46,674	5,05,758	13,37,593
Unsecured, considered doubtful	-	-	1,37,844
	2,46,674	5,05,758	14,75,437
Less: Allowance for bad and doubtful advances	-	-	1,37,844
	2,46,674	5,05,758	13,37,593
Other advances and receivables:			
Unsecured, considered good:			
Employee loans	7,71,226	7,10,932	15,80,466
Loans and advances to related parties	-	11,01,015	6,70,884
Inter corporate deposits	30,00,00,000	39,00,00,000	36,00,00,000
Rental security deposits	-	9,32,656	11,34,978
Other security deposits	6,03,000	6,28,000	6,25,000
	30,16,20,900	**39,38,78,361**	**36,53,48,921**

Note 10A: Assets for current tax (net)

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.	April 01, 2015 Rs.
Advance payment of income tax - net of provision of Rs. 15,94,22,705 (March 31, 2016: Rs. 19,56,65,725 and April 01, 2015: Rs. 24,03,10,125)	1,06,83,541	4,91,16,080	5,82,12,758
	1,06,83,541	**4,91,16,080**	**5,82,12,758**

Note 10B: Liabilities for current tax (net)

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.	April 01, 2015 Rs.
Provision of income tax - net of advance payment of Rs. 21,66,06,082 (March 31, 2016: Rs. 20,47,51,774 and April 01, 2015: Rs. 7,13,72,028)	1,53,66,930	1,66,25,476	1,50,97,472
	1,53,66,930	**1,66,25,476**	**1,50,97,472**

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ADITYA BIRLA INSURANCE BROKERS LIMITED

Notes forming part of Balance Sheet

Note 11: Other current assets- (non financial)

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.	April 01, 2015 Rs.
Prepaid expenses	1,41,07,990	1,28,14,585	99,86,531
Service tax receivable	3,09,18,131	49,86,490	24,12,077
Deferred Staff Cost	13,626	31,493	28,232
Deferred Rent Expense	14,66,931	11,98,918	13,40,831
Others	41,354	-	1,97,481
	4,65,48,032	**1,90,31,486**	**1,39,65,152**

Note 12: Share capital

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.	April 01, 2015 Rs.
Authorized share capital:			
30,00,000 equity shares of Rs. 10 each	3,00,00,000	3,00,00,000	3,00,00,000
	3,00,00,000	**3,00,00,000**	**3,00,00,000**
Issued, subscribed and fully paid up share capital: 2700000 (Previous year: 2700000) equity shares of Rs.10 each fully paid Of the above: 1350054 (Previous year: 1350054) equity shares held by Aditya Birla Financial Services Limited, the holding company	2,70,00,000	2,70,00,000	2,70,00,000
	2,70,00,000	**2,70,00,000**	**2,70,00,000**

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.

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

Name of shareholder	March 31, 2017 Rs.	March 31, 2016 Rs.	April 01, 2015 Rs.
Number of Shares outstanding at the beginning of the year : 2700000 of Rs 10 each	2,70,00,000	2,70,00,000	2,70,00,000
Number of Shares issued during the year	-	-	-
Number of Shares outstanding at the end of the year : 2700000 of Rs. 10 each	2,70,00,000	2,70,00,000	2,70,00,000

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

Name of shareholder	March 31, 2017 Nos	March 31, 2016 Nos	April 01, 2015 Nos
Aditya Birla Financial Services Limited	13,50,054	13,50,054	13,50,054
Infocyber India Private Limited	13,49,946	13,49,946	13,49,946
	27,00,000	**27,00,000**	**27,00,000**
% of shareholding:			
Aditya Birla Financial Services Limited	50.002	50.002	50.002
Infocyber India Private Limited	49.998	49.998	49.998

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Aditya Birla Insurance Brokers Ltd. ★ MUMBAI

ADITYA BIRLA INSURANCE BROKERS LIMITED

Notes forming part of Balance Sheet

Note 13: Reserves and surplus

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.	April 01, 2015 Rs.
(1) General reserve:			
Opening balance	6,98,90,427	4,85,93,598	4,85,93,598
Addition: Transfer from surplus balance in Statement of Profit and Loss		2,12,96,829	-
Closing balance	**6,98,90,427**	**6,98,90,427**	**4,85,93,598**
(2) Surplus as per Statement of Profit and Loss:			
Opening balance	43,95,19,092	40,65,96,832	40,65,96,832
Add: Profit for the year	25,03,29,412	20,81,52,398	-
Add: Other comprehensive income for the year	(37,78,310)	42,27,471	-
Closing balance	68,60,70,194	61,89,76,701	40,65,96,832
Less: Appropriation			
Transfer to general reserve	-	2,12,96,829	-
Dividend on equity shares*	15,92,51,587	13,14,09,000	-
Tax on dividend	3,24,19,876	2,67,51,780	-
Closing balance	**49,43,98,731**	**43,95,19,092**	**40,65,96,832**
Total (1+2)	**56,42,89,158**	**50,94,09,519**	**45,51,90,430**

* The Company has paid the dividend on equity shares @ 58.98 per share (Previous year: Rs 48.67 per share).

Note 14:Long-term provisions

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.	April 01, 2015 Rs.
Provision for deferred employees benefits	-	-	1,27,45,085
	-	-	**1,27,45,085**

Note 15: Other non current liabilities (non financial)

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.	April 01, 2015 Rs.
Deposits from employees under own your car scheme	2,19,404	1,83,290	1,39,946
Rent expense liability - straight lining effect	1,01,120	-	-
	3,20,524	**1,83,290**	**1,39,946**

Note 16: Financial liabilities-trade and other payables

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.	April 01, 2015 Rs.
Payable for expenses:			
To related parties	2,22,90,103	22,17,058	2,94,850
Payable for other expenses:			
- Micro and small enterprises*	-	-	-
- Other than micro and small enterprises	12,26,00,772	10,88,79,187	5,42,25,144
Payable for salaries, wages and other employee benefits	9,89,31,264	6,07,86,310	5,11,76,451
	24,38,22,139	**17,18,82,555**	**10,56,96,445**

* 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, 2017. 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

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Aditya Birla Insurance Brokers Ltd. * MUMBAI

ADITYA BIRLA INSURANCE BROKERS LIMITED

Notes forming part of Balance Sheet

Note 17: Other current liabilities (non financial)

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.	April 01, 2015 Rs.
Other payables - statutory dues	1,26,08,896	1,08,86,999	41,52,325
Other current liabilities	5,55,00,000	4,11,00,000	-
Income received in advance	1,14,661	7,59,564	15,187
	6,82,23,557	5,27,46,563	41,67,512

Note 18: Short-term provisions

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.	April 01, 2015 Rs.
Provisions for leave encashment	1,36,30,530	1,39,98,526	1,59,53,281
Provisions for gratuity	71,12,314	7,86,820	50,25,151
Provision for deferred employees benefits	-	2,87,81,013	27,86,901
	2,07,42,844	4,35,66,359	2,37,65,333

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Aditya Birla Insurance Brokers Ltd. ★ MUMBAI

ADITYA BIRLA INSURANCE BROKERS LIMITED

Notes forming part of Statement of Profit and Loss

Note 19: Revenue from operations

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.
General insurance advisory services:		
Administrative services and consultancy charges	2,53,84,257	1,20,74,763
Brokerage	1,18,55,03,273	95,57,36,943
	1,21,08,87,530	**96,78,11,706**

Note 20: Other income

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.
Interest income including on financial assets through amortized cost	4,28,90,540	4,26,93,832
Foreign exchange gain	1,22,778	-
Recovery of bad debts	4,40,341	3,15,731
Gain/(loss) on sale of investments measured at FVTPL	1,09,44,574	49,29,971
MTM of investments measured at FVTPL-Gain	-	19,53,803
	5,43,98,233	**4,98,93,337**

Note 21: Employee benefits expenses

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.
Salaries and other allowances	39,13,79,487	31,17,79,901
Contribution to gratuity fund	44,01,820	47,84,525
Contribution to provident and other funds	1,33,44,239	1,12,68,145
Staff welfare expenses	1,22,76,409	1,28,97,970
	42,14,01,955	**34,07,30,541**

Note 22: Depreciation and amortization

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.
Depreciation on tangible assets	1,53,77,978	93,04,508
Amortization of intangible assets	1,43,82,971	98,13,459
	2,97,60,949	**1,91,17,967**

S.R. BATLIBOI & ASSOCIATES LLP CHARTERED ACCOUNTANTS MUMBAI

Aditya Birla Insurance Brokers Ltd. MUMBAI

ADITYA BIRLA INSURANCE BROKERS LIMITED

Notes forming part of Statement of Profit and Loss

Note 23: Other expenses

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.
Legal and professional charges (Refer note 1 below)	1,54,93,567	1,17,95,140
Advertisement and business promotion expenses	22,93,90,044	13,77,58,883
Telephone and communication expenses	1,06,33,193	83,13,081
Travelling and conveyance expenses	2,84,79,962	2,19,62,211
Rent	3,54,97,939	3,18,47,101
Rates and taxes	1,58,14,716	4,29,02,426
Repair and maintenance	1,68,92,917	1,35,73,926
Director's Fees	3,01,500	50,000
Insurance expenses	1,09,34,397	1,05,63,354
Service hire charges	2,31,87,516	1,91,72,967
Electricity expenses	53,41,223	49,72,514
Printing and stationery	13,38,231	11,52,517
Information technology expenses	4,61,993	1,43,715
Bank charges	4,78,285	6,81,273
Postage and courier expenses	9,22,952	6,45,188
Foreign exchange loss	8,47,662	2,22,393
MTM of investments measured at FVTPL - Loss	22,68,561	-
Miscellaneous expenses (refer note 2 below)	1,27,39,980	1,24,21,055
Bad debts written off	89,16,825	84,41,855
CSR expenses (refer note 3 below)	55,00,000	43,00,000
Provision for doubtful debts and advances	14,78,943	34,56,585
	42,69,20,406	**33,43,76,184**

Notes:

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

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.
As auditor:		
Audit fee	8,50,000	3,00,000
Tax audit fee	2,00,000	1,50,000
Limited Review	4,50,000	4,50,000
In other capacity:		
Certification fee	4,00,000	2,00,000
Out of pocket expenses	71,221	82,547
	19,71,221	**11,82,547**

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ADITYA BIRLA INSURANCE BROKERS LIMITED

Notes forming part of Statement of Profit and Loss

2. Miscellaneous Expenses :- Include employee recruitment expenses, security expenses, conference expenses and other office relevant expenses

3. Details of CSR expenditure:

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.
Gross amount required to be spent by the company during the year	53,83,223	42,87,159
Amount spent during the year	55,00,000	43,00,000

Note 24: Income tax expenses

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.
Current tax	14,36,96,200	13,31,00,438
Income tax for prior years	(12,18,787)	(87,641)
Deferred tax charge - (Net)	(56,04,372)	(1,76,84,844)
	13,68,73,041	**11,53,27,953**

Reconciliation of income tax expenses

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.
Profit before tax	**38,72,02,453**	**32,34,80,351**
Income tax rate	34.61%	34.61%
Income tax expenses on profit before tax	**13,40,03,000**	**11,19,50,100**
Adjustment under income tax law:		
Income tax expenses on non deductibles/non taxable items	5,89,100	39,44,438
Income tax expenses on temporary disallowances	91,04,100	1,72,05,900
Income tax expese provided for the year	**14,36,96,200**	**13,31,00,438**

Note 25: Other comprehensive income

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.
Other comprehensive income (Acturial gains/(losses) on defined benefit obligations classified under retained earnings)	(37,78,310)	42,27,471
	(37,78,310)	**42,27,471**

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Aditya Birla Insurance Brokers Ltd. * MUMBAI

ADITYA BIRLA INSURANCE BROKERS LIMITED

NOTE '26'

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES TO ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES

1 CORPORATE INFORMATION

Aditya Birla Insurance Brokers Limited is a limited Company incorporated and domiciled in India. The registered office of the company is located at Indian Rayon Compound, Veraval, Gujarat - 362 266.

The Company is a composite general insurance intermediary, licensed by the Insurance Regulatory and Development Authority (IRDA) of India. The Company specialises in providing general insurance broking and risk management solutions for corporates and individuals alike.

The financial statements of the Company for the year ended March 31, 2017 were authorized for issue in accordance with a resolution of the directors on April 26, 2017.

2 BASIS OF PREPARATION

Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, as per the said road map, the Company is required to apply Ind AS starting from financial year beginning on or after April 01, 2016. Accordingly, the financial statements of the Company have been prepared in accordance with the Ind-AS.

All the assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the schedule III of the Companies Act, 2013. Based on the nature of products and the time between the acquisition of the assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as up to twelve months for the purpose of current/non-current classification of assets and liabilities.

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the Accounting Standards notified under the Section 133 of the Companies Act 2013, read together with Companies (Accounts) Rules 2014 (Indian GAAP). These financial statements for the year ended March 31, 2017 are the first financial statement that, the Company has prepared in accordance with Ind AS.
Refer to note 26 for information on how the Company adopted Ind AS.

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

3 PROPERTY, PLANT AND EQUIPMENTS

The Company has elected to apply previous GAAP carrying amount of its property, plant, equipments and intangible assets as deemed cost as on the date of transition to Ind AS, after making necessary adjustments, in accordance with Ind AS.

Property, plant & equipments and capital work in progress are stated at original cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price including import duties and non refundable purchase taxes, after deducting trade discounts and rebates including any cost directly attributable for bringing the asset to its working condition for its intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the Property, Plant & Equipments as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Cost in case of long term construction projects includes borrowing cost if recognition criteria are met.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Losses arising in case retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on property, plant & equipments is provided on Straight Line basis using the rates arrived at based on the useful lives as specified in the Schedule II of the Companies Act, 2013 or estimated by the management. The Company has used the following useful life to provide depreciation on its fixed assets.

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(A) SIGNIFICANT ACCOUNTING POLICIES

(A): Assets where useful life is same as Schedule II:

Asset	Useful life as prescribed by schedule II of the Companies Act 2013
NIL	NIL

(B): Assets where useful life differ from Schedule II:

Asset category	Useful Life as Prescribed by Schedule II of the Co. Act,2013	Estimated Useful Life
Office Computers (end user devices desktop, laptops)	3	4
Servers & Networks	6	4
Electronic Equipments	5	4
Vehicles	8 Years to 10 Years	5
Furniture & fixtures and Other office equipments	10	7

Useful life of assets different from prescribed in Schedule II has been estimated by management supported by technical assessment.

(C) : Leasehold assets

Leasehold Improvements	Initial period of lease

Fixed Assets, individually costing less than Rupees five thousands, are fully depreciated in the year of purchase.

Depreciation on Property, plant and equipment which are added/disposed off/discarded during the year is provided, on a pro-rata basis with reference to the month of addition/disposal/ discarding.

3.1 INTANGIBLE ASSETS

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Category of assets	Estimated useful life in years
Technical know-how	7
Computer software	3
Non-compete fee	3

Intangible asset under development: The Company capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed.

3.2 IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss if any is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

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(A) SIGNIFICANT ACCOUNTING POLICIES

4 PROVISIONS

Provision are recognised when the Company has present obligation as result of past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of reimbursements, if any.

5 BORROWING COST

Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such asset up to the date when such assets are ready for its intended use. A qualifying asset is an asset that necessarily requires a substantial period of time (generally over twelve months) to get ready for its intended use or sale.

Other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment of the borrowing cost.

6 FOREIGN CURRENCY TRANSACTIONS AND BALANCES

(a) Initial recognition:

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

(b) Conversion:

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

(c) Exchange differences:

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

Other non-monetary items like fixed assets are carried in terms of historical cost using the exchange rate at the date of transaction initial recognition .

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

7 INVESTMENTS

Investments are recorded at weighted average cost on the date of purchase, which includes acquisition charges such as brokerage, stamp duty, taxes, etc. Current Investments are stated at market value. Long term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

8 CASH DIVIDEND AND NON-CASH DISTRIBUTION TO EQUITY HOLDERS OF THE COMPANY

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and approved by the shareholders.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

9 REVENUE RECOGNITION

(a) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

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

(c) Investments are recorded at cost on the date of purchase, which includes acquisition charges such as brokerage, stamp duty, taxes, etc. Current Investments are stated at market value. Long term investments are stated at cost after deducting provisions made, if any, for other than temporary diminution in the value.

(d) Interest income is recognized in the profit or loss account on accrual basis.

(e) Dividend income on investment is accounted for when the right to receive the payment is established, which is generally when shareholders approve the dividend.

(f) Realized profit/loss on sale /redemption of mutual fund units is computed on weighted average cost basis.

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(A) SIGNIFICANT ACCOUNTING POLICIES

10 RETIREMENT AND OTHER EMPLOYEE BENEFITS

(a) Defined contribution plan

The Company makes defined contribution to Employee Provident Fund and Employee Pension Fund which is recognized in the Statement of Profit and Loss on accrual basis. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered the service entitling them to the contribution.

(b) Defined benefit plan

The Company's liability under the Payment of Gratuity Act and long term compensated absences are determined using actuarial valuation made at the end of each financial year using the projected unit credit method except for short term compensated absences, which are provided for based on estimates. The obligation is measured at the present value of estimated future cash flows using a discount rate that is determined by references to market yield at the balance sheet date on government bonds where the terms of the Government bonds are in consistent with the estimated terms of the defined benefit obligation.

In respect of gratuity being retirement benefits, re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately at the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to the statement of profit and loss in subsequent periods.
Past service cost is recognised in the statement of profit and loss on the earlier of
• the date of plan amendment or
• the company recognises the related residual cost.
Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation under employee benefit expenses in the statement of profit and loss:
• Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements.
• Net interest expense or income.

The Company presents the entire leave as a current liability in the balance sheet, since it does not have any unconditional right to defer its settlement beyond twelve months after the reporting date.

11 TAXATION

Tax expense comprises of current and deferred tax.
Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profit. At each balance sheet date the Company reassesses unrecognized deferred tax assets.

12 OPERATING LEASES

Leases where significant portion of risk and reward of ownership are retained by the Lessor are classified as Operating Leases and lease rentals thereon are charged to Statement of Profit and Loss on a straight line basis over lease term.

13 CASH AND CASH EQUIVALENTS

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.
Cash and Cash Equivalents for the purpose of cash flow statement comprise cash on hand and cash at bank including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

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14 CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby the net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

15 EARNINGS PER SHARE

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

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

16 CONTINGENT LIABILITIES AND PROVISIONS

Contingent Liabilities are possible but not probable obligations as on Balance Sheet date, based on the available evidence.

Provisions are recognized when there is a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.
Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date.

17 FAIR VALUATION MEASUREMENT

The company measures financial instruments, such as, mutual funds and certain investments at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.
The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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(A) SIGNIFICANT ACCOUNTING POLICIES

17.1 FINANCIAL INSTRUMENTS

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

17.1.1 Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value through profit or loss plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purpose of subsequent measurement, financial assets are classified in two categories:

a) Long term loans at amortised cost

b) Investment in mutual funds at fair value through profit or loss (FVTPL)

Loans at amortised cost

An instrument is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortisation is included in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

Investment in mutual funds at fair value through profit or loss (FVTPL)

FVTPL is a residual category of an instrument. Any instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate an investment in mutual fund, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL.

Investment in mutual funds included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

a) The rights to receive cash flows from the asset have expired, or

b) The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the trade receivable.

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON ACCOUNTS

(A) SIGNIFICANT ACCOUNTING POLICIES

17.1.2 Financial liabilities

Initial recognition and measurement

The Company's financial liabilities include trade and other payables. Financial Liabilities are recognised at initial stage at carrying value.

Subsequent measurement

The management has assessed that fair value of the trade payables and other current liabilities approximate their carrying amounts.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

18 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

18.1 Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model.

(b) Defined benefit plans

The Company's liabilities under the defined benefit gratuity plan and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds with tenure which is consistent with the tenure of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

(C) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques including the DCF model, Net book value as appropriate. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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(B) DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

Exemptions and exceptions availed

These financial statements, for the year ended March 31, 2017, are the first, the Company has prepared in accordance with Ind AS. For the periods up to and including the year ended March 31, 2016, the company prepared its financial statement in accordance with the accounting standards notified under section 133 of the companies Act 2013, read together with Paragraph 7 of the Companies (Accounts) Rules,2014 (Indian GAAP).

Accordingly, the Company has prepared its financial statements to comply with Ind AS for the year ending March 31 2017,together with comparative figures as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements , the company's opening balance sheet was prepared as at April 01, 2015, the company's date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balances stated as at April 01, 2015 and the financial statements as at and for the year ended March 31, 2016.

Exemptions:

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

i) The Company has elected to apply previous GAAP carrying amount of its property, plant and equipments as deemed cost as on the date of transition to Ind AS, after making necessary adjustments, i.e. capitalisation of major spares parts, in accordance with Ind AS.

ii) Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS, this assessment should be carried out at the inception of the contract or arrangement. However, the company has done the assessment of lease in contracts based on conditions in prevailing as at the transition.

Exceptions:

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements.

a) Estimates

The estimates at April 01, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences if any, in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with the Ind AS reflect conditions as at the transition date and as of March 31, 2016.

b) Derecognition of financial assets and financial liabilities

The Company has elected to apply the derecognition requirements for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c) Classification and measurement of financial assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

Reconciliation of net profit as per Indian AS and Indian GAAP for the year ended March 31, 2017

Particulars	March 31, 2017
Profit after Tax as per Ind AS	**25,03,29,412**
Add/ (Less) GAAP Adjustments	
(i) Amortization of deferred lease & employee loans (long term deposits)	(34,594)
(ii) Impact of provision for debtors per ECL model	(4,39,519)
(iii) Impact of valuation of investments at Fair Value	22,68,561
(iv) Other Comprehensive Income	(37,78,310)
(vi) Deferred tax	(6,21,072)
Subtotal	**(26,04,934)**
Profit after tax as per I GAAP	**24,77,24,478**

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(B) DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

Reconciliation of equity as at March 31, 2016:
(date of transition to Ind AS)

Sr No	Particulars	Indian GAAP Rs.	Adjustments Rs.	Ind AS Rs.
I	**Assets**			
1	**Non-current assets**			
	(a) Property, plant and equipment	2,08,53,946	-	2,08,53,946
	(b) Capital work-in-progress			
	(c) Other intangible assets	2,34,04,571	-	2,34,04,571
	(d) Intangible assets under development	87,21,494	-	87,21,494
	(e) Financial assets			
	(i) Loans	1,53,31,027	(29,20,128)	1,24,10,899
	(ii) Others	1,09,78,098	-	1,09,78,098
	(f) Deferred tax asset (net)	2,00,84,700	(3,75,374)	1,97,09,326
	(g) Other non-current-assets	-	14,79,407	14,79,407
		9,93,73,836	**(18,16,095)**	**9,75,57,741**
2	**Current assets**			
	(a) Financial assets			
	(i) Current investments	8,97,38,306	28,48,364	9,25,86,670
	(ii) Trade and other receivables	10,60,43,412	(15,46,202)	10,44,97,211
	(iii) Cash and cash equivalents	6,47,46,213	-	6,47,46,213
	(iv) Loans	39,38,85,631	(7,270)	39,38,78,361
	(b) Assets for current tax (net)	4,91,16,080	-	4,91,16,080
	(c) Other current assets (non financial)	1,78,01,074	12,30,412	1,90,31,486
		72,13,30,716	**25,25,304**	**72,38,56,021**
	Total assets	**82,07,04,552**	**7,09,209**	**82,14,13,762**
II	**Equity and liabilities**			
1	**Equity**			
	(a) Equity share capital	2,70,00,000	-	2,70,00,000
	(b) Other equity	31,70,28,846	19,23,80,673	50,94,09,519
	Total equity	**34,40,28,846**	**19,23,80,673**	**53,64,09,519**
2	**Non-current liabilities**			
	(a) Long term provisions	-	-	-
	(b) Other non current liabilities (non financial)	1,83,290	-	1,83,290
		1,83,290	-	**1,83,290**
3	**Current liabilities**			
	(a) Financial liabilities			
	Trade and other payables	17,18,82,555	-	17,18,82,555
	(b) Other current liabilities (non financial)	5,27,46,563	-	5,27,46,563
	(c) Short term provisions	23,52,37,822	(19,16,71,463)	4,35,66,359
	(d) Liabilities for current tax (net)	1,66,25,476	-	1,66,25,476
		47,64,92,416	**(19,16,71,463)**	**28,48,20,953**
	Total liabilities	**47,66,75,706**	**(19,16,71,463)**	**28,50,04,243**
	Total equity and liabilities	82,07,04,552	7,09,210	82,14,13,762

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ADITYA BIRLA INSURANCE BROKERS LIMITED

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SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON ACCOUNTS

(B) DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

Reconciliation of profit and loss for the year ended March 31, 2016:

Sr No	Particulars	Indian GAAP Rs.	Adjustments Rs.	Ind AS Rs.
	Continuing operations:			
(A)	**Revenue**			
	Revenue from operations	96,78,11,706	-	96,78,11,706
	Other income	4,69,98,125	28,95,212	4,98,93,337
	Total income	**1,01,48,09,831**	**28,95,212**	**1,01,77,05,043**
(B)	**Expenses**			
	Employee benefits expenses	33,64,86,932	42,43,609	34,07,30,541
	Depreciation and amortization expenses	1,91,17,967	-	1,91,17,967
	Other expenses	33,05,97,243	37,78,941	33,43,76,184
	Total expenses	**68,62,02,142**	**80,22,550**	**69,42,24,692**
	Profit from operations before exceptional items	**32,86,07,689**	**(51,27,338)**	**32,34,80,351**
	Exceptional items	-	-	-
	Profit before tax	**32,86,07,689**	**(51,27,338)**	**32,34,80,351**
	Tax expenses:			
	Current tax	13,31,00,438	-	13,31,00,438
	Income tax for prior years	(87,641)	-	(87,641)
	Deferred tax charge - (net)	(1,73,73,400)	(3,11,444)	(1,76,84,844)
	Total tax expenses	**11,56,39,397**	**(3,11,444)**	**11,53,27,953**
	Profit for the year from continuing operations	**21,29,68,292**	**(48,15,894)**	**20,81,52,398**
	Other comprehensive income	-	42,27,471	42,27,471
	Total comprehensive income for the year	**21,29,68,292**	**(5,88,423)**	**21,23,79,869**

Reconciliation of equity:

Sr No	Particulars	March 31, 2016 Rs.	March 31, 2015 Rs.
1	Total equity under Indian GAAP	34,40,28,849	32,27,32,020
a	**Other Financial Assets**		
	Long-term loans and advances	(2,17,581)	(1,72,136)
b	**Trade and other receivables**	(15,46,202)	12,62,023
c	**Current investments**	28,48,364	8,94,560
d	**Dividend plus dividend tax**	19,16,71,463	15,81,60,780
e	**Deferred tax**	(3,75,374)	(6,86,818)
	Total adjustments to equity	19,23,80,670	15,94,58,409
	Total equity under IND AS	**53,64,09,519**	**48,21,90,429**

Notes :

A. **Deemed cost - property, plant and equipment (PPE)**

The Company has elected to apply previous GAAP carrying amount of its property, plant and equipments as deemed cost as on the date of transition to Ind AS.

B. **Loans**

Security deposits has been recognised at fair value as per Ind AS 109 . Difference between fair value and carrying value as per previous Indian GAAP has been recognised as deferred rent expenses amounting to Rs. 29,20,128.

Loan to employee has been recognised at fair value as per Ind AS 109 . Difference between fair value and carrying value as per previous Indian GAAP has been recognised as deferred employee expenses amounting to Rs. 7,270.

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ADITYA BIRLA INSURANCE BROKERS LIMITED

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SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON ACCOUNTS

(B) DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

C. Deferred tax assets

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. The net impact on deferred tax asset is of Rs. 3,75,374.

D. Other non current assets

The difference between fair value and carrying value of Deposits recognised in accordance with Ind AS 109 is amortised over the period of loan / deposit amounting to Rs. 14,79,407 represents unamortized portion of such non current assets at the date of transition.

E. Current Investments

Under Indian GAAP, the Company had accounted for investment in mutual fund units at weighted average cost . Under Ind AS, the Company has designated investment in mutual fund units as Fair Value Through Profit & Loss (FVTPL). At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount, accordingly an amount of Rs. 28,48,364 has been recognised as income in the statement of profit and loss.

F. Trade and other receivables

Under IND AS, the provision for doubtful debts is recognised on the basis of expected credit loss (ECL) method. The difference between the provision as per IND AS and Indian GAAP amounting to Rs. 15,46,202 has been recognised to the statement of profit and loss.

G. Proposed dividend

Under Indian GAAP, proposed dividend including dividend distribution tax (DDT), are recognised as liability in the period to which they relate, irrespective of when they are declared. Under Ind As, proposed dividend is recognised as a liability in the period in which it is declared by the Company, usually when approved by shareholders in a general meetings, or paid.

Therefore, the dividend liability (proposed dividend) including dividend distribution tax liability amounting to Rs. 19,16,71,463 has been derecognised in retained earnings as on the transition date.

Distribution made and proposed	March 31, 2016 Rs.
Cash dividends on equity shares declared and paid	
Final dividend for the year ended on March 31, 2015: Rs 48.67 per share	13,14,09,000
Dividend Distribution Tax on Final Dividend	2,67,51,780
TOTAL	**15,81,60,780**
Proposed dividends on Equity shares:	
Final cash dividend for the year ended on March 31, 2016: Rs. 58.98 per share (March 31, 2015 : Rs 48.67 per share)	15,92,51,587
Dividend Distribution Tax on Proposed Dividend	3,24,19,876
TOTAL	**19,16,71,463**

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at March 31.

H. Other current assets

The current portion of difference between fair value and carrying value of Deposits/loan recognised in accordance with Ind AS 109 as deferred expenses amounting to Rs. 12,30,412.

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SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON ACCOUNTS

(B) DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

I. Other comprehensive Income

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit and loss. Under Ind AS, re-measurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in balance sheet through other comprehensive income amounting to Rs. 42,27,471 included in other equity as at March 31, 2016.

J. Provisions

The Company has no long term provisions to be discounted as per the requirements of Ind AS 37 as on the transition date. All short term provisions are accounted at actuals in the Statement of Profit & Loss.

K. Other Income

Current Investments are carried at fair value. Impact of mark to market of Rs. 19,53,803 has been recognised under Ind AS.

Loan to employee and security deposit are carried at amortised cost. Income recognised in statement of Profit and loss amounting of Rs. 9,41,409 in respect of such loans.

L. Employee benefit expenses

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit and loss. Under Ind AS, re-measurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in balance sheet through other comprehensive income. Thus, employee benefits expense is increased by Rs. 42,27,471 and is recognised in other comprehensive income during the year ended March 31, 2016.

Difference between fair value and carrying value to the employees has been recognised as deferred employee cost. Rs. 16,138 has being recognised as employee cost being amortisation of deferred employee cost over the period of loan.

M. Other Expenses

Impact of credit loss on adoption of ECL of Rs. 28,08,225 has been recognised in the statement of profit and loss account

Difference between fair value and carrying value to the deposits has been recognised as deferred rent expenses. Rs. 9,70,716 has being recognised as rent expenses being amortization of deferred rent cost over the period of deposits.

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SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON ACCOUNTS

(B) DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

Reconciliation of equity as at April 01, 2015:
(date of transition to Ind AS)

Sr No	Particulars	Indian GAAP Rs.	Adjustments Rs.	Ind AS Rs.
I	**Assets**			
1	**Non-current assets**			
	(a) Property, plant and equipment	2,04,75,428	-	2,04,75,428
	(b) Capital work-in-progress	12,86,948	-	12,86,948
	(c) Other intangible assets	1,12,92,303	-	1,12,92,303
	(d) Intangible assets under development	52,84,377	-	52,84,377
	(e) Financial assets			
	(i) Loans	1,61,74,265	(33,79,346)	1,27,94,919
	(ii) Others	1,01,61,917	-	1,01,61,917
	(f) Deferred tax asset (Net)	27,11,300	(6,86,818)	20,24,482
	(g) Other non current assets - (non financial)	-	18,54,017	18,54,017
		6,73,86,538	**(22,12,147)**	**6,51,74,391**
2	**Current assets**			
	(a) Financial assets			
	(i) Current Investments	4,76,58,335	8,94,561	4,85,52,896
	(ii) Trade and other receivables	7,52,14,378	12,62,023	7,64,76,402
	(iii) Cash and cash equivalents	1,60,71,703	-	1,60,71,703
	(iv) Loans	36,53,64,792	(15,870)	36,53,48,922
	(b) Assets for current tax (net)	5,82,12,757	-	5,82,12,757
	(c) Other current assets (non financial)	1,25,96,089	13,69,063	1,39,65,152
		57,51,18,054	**35,09,777**	**57,86,27,832**
	Total assets	**64,25,04,592**	**12,97,630**	**64,38,02,223**
II	**Equity and liabilities**			
1	**Equity**			
	(a) Equity share capital	2,70,00,000	-	2,70,00,000
	(b) Other equity	29,57,32,020	15,94,58,410	45,51,90,430
	Total equity	**32,27,32,020**	**15,94,58,410**	**48,21,90,430**
2	**Non-current liabilities**			
	(a) Long term provisions	1,27,45,084	-	1,27,45,084
	(b) Other non current liabilities (non financial)	1,39,946	-	1,39,946
		1,28,85,030	**-**	**1,28,85,030**
3	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Trade and other payables	10,56,96,447	-	10,56,96,447
	(b) Other current liabilities (non financial)	41,67,512	-	41,67,512
	(c) Short term provisions	18,19,26,113	(15,81,60,780)	2,37,65,333
	(d) Liabilities for current tax (net)	1,50,97,471	-	1,50,97,471
		30,68,87,542	**(15,81,60,780)**	**14,87,26,763**
	Total liabilities	**31,97,72,572**	**(15,81,60,780)**	**16,16,11,793**
	Total equity and liabilities	**64,25,04,592**	**12,97,630**	**64,38,02,223**

Notes:

A. **Deemed cost - property, plant and equipment (PPE)**

The Company has elected to apply previous GAAP carrying amount of its property, plant and equipments as deemed cost as on the date of transition to Ind AS.

B. Loans

Security deposits has been recognised at fair value as per Ind AS 109 . Difference between fair value and carrying value as per previous gaap has been recognised as deferred rent expenses amounting to Rs. 33,79,346.

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SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON ACCOUNTS

(B) DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS

C. Deferred tax assets

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. The net impact on deferred tax asset is of Rs. 6,86,818.

D. Other non current assets

The difference between fair value and carrying value of Deposits recognised in accordance with Ind AS 109 is amortised over the period of loan / deposit Rs. 18,54,017 represents unamortised portion of such non financial assets at the date of transition.

Loan to employee has been recognised at fair value as per Ind AS 109 . Difference between fair value and carrying value as per previous gaap has been recognised as deferred employee expenses amounting to Rs. 15,870.

E. Current investments

Under Indian GAAP, the Company had accounted for investment in mutual fund units measured at weighted average cost . Under Ind AS, the Company has designated investment in mutual fund units as Fair Value Through Other Profit & Loss (FVTPL). At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount of Rs. 8,94,561 has been recognised as income in the statement of profit and loss.

F. Trade and other receivables

Under IND AS, the provision for doubtful debts is recognised on the basis of expected credit loss (ECL) method. The difference between the provision as per IND AS and Indian GAAP amounting to Rs. 12,62,023 has been credited to the statement of profit and loss.

G. Proposed dividend

Under Indian GAAP, proposed dividend including dividend distribution tax (DDT), are recognised as liability in the period to which they relate, irrespective of when they are declared. Under Ind As, proposed dividend is recognised as a liability in the period in which it is declared by the Company, usually when approved by shareholders in a general meetings, or paid.

Therefore, the dividend liability (proposed dividend) including dividend distribution tax liability amounting to Rs. 15,81,60,780 has been derecognised in retained earnings as on the transition date.

Distribution made and proposed	April 01, 2015 Rs.
Cash dividends on equity shares declared and paid:	
Final dividend for the year ended on March 31, 2015: Rs. 48.67 per share	13,14,09,000
Dividend Distribution Tax on Final Dividend	2,67,51,780
Total	**15,81,60,780**

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at March 31.

H. Other current assets

The current portion of difference between fair value and carrying value of Deposits/loan recognised in accordance with Ind AS 109 as deferred expenses amounting to Rs. 13,69,063.

I. Other comprehensive income

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit and loss. Under Ind AS, re-measurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in balance sheet through other comprehensive income/(loss) amounting to (Rs. 20,04,598) included in other equity as at April 01, 2015.

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NOTE '26'

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON ACCOUNTS

(C) OTHER NOTES TO ACCOUNTS

1 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 71,16,554/- (Previous year ended on March 31, 2016: Rs.1,03,47,631 and April 01, 2015: Rs.90,18,038).

2 Contingent liability not provided for:

Description	March 31, 2017 Rs.	March 31, 2016 Rs.	April 01, 2015 Rs.
(a) Claims against the Company not acknowledged as debts	39,51,052	36,07,415	32,63,779
(b) Claims against the Company not acknowledged as debts	50,000	50,000	-
(c) Claims against the Company not acknowledged as debts	5,02,929	4,57,227	-
(d) Claims against the Company not acknowledged as debts	11,79,38,920	-	-
(e) Claims against the Company not acknowledged as debts	1,90,000	-	-
(f) Claims against the Company not acknowledged as debts	7,56,959	-	-
(g) Claims against the Company not acknowledged as debts	5,60,676	-	-
(h) Claims against the Company not acknowledged as debts	-	-	1,76,117
(i) Claims against the Company not acknowledged as debts	-	35,000	-
(j) Claims against the Company not acknowledged as debts	-	19,672	-
(k) Appeal filed by the DCIT with ITAT	2,85,763	2,85,763	2,85,763
(l) Service tax show cause notice (SCN) cum demand	89,20,108	89,20,108	89,20,108
(m) Service tax show cause notice (SCN) cum demand	83,25,513	2,27,25,513	-
	14,14,81,920	**3,61,00,698**	**1,26,45,767**

Notes:

(a) M/s. R.K.W. Developers Pvt. Ltd. and Rukmini Vitthal Parab have jointly and severally filled a suit before Consumer Disputes Redressal Commission against Aditya Birla Insurance Brokers Limited as First Party and Oriental Insurance Company Limited as Second Party. The final hearing was scheduled on for July 19, 2016 which has been adjourned and no date of hearing has been notified in District Consumer Forum. The liability is Rs. 19,09,092 plus interest @18% plus Rs. 50,000 (harassment) plus Rs. 45,000 (Suit).

(b) Mr. Rajeev Gulati has filed a complaint before the Lok Adalat against Arjun Vasu Automobiles Pvt Ltd jointly with Bharati Axa General Insurance Co. Ltd through Aditya Birla Insurance Brokers Limited and Bharti Axa General Insurance Co. Ltd through its agent at Moradabad. The liability is Rs. 50,000. The hearing date is on May 30, 2017.

(c) Mr. Indrajeet Singh has filed a complaint before District Forum, Lucknow, U.P., against Future Generali General Insurance Co. Ltd. Hyundai Motors Limited and JSV Hyundai Motors and Construction P. Ltd. & Aditya Birla Insurance Brokers Ltd. as the Claim rejected by insurance company towards car accident, no date of the hearing has been notified. The liability is Rs. 3,80,853 plus interest @ 12% plus Rs. 50,000 (harassment) plus Rs. 25,000 (suit).

(d) M/s Amar Plastics has filed a complaint before the National Commission Delhi, against Iffco Tokio General Insurance Co. Ltd. and Aditya Birla Insurance Brokers Limited as Claim rejected by insurance company towards property damage. The liability is Rs. 4,17,63,900 plus interest @ 18% plus Rs. 10,00,000 (harassment). The hearing date is fixed on July 12, 2017.

(e) Mr. Banvari Lal has filed a complaint before Permanent Lok Adalat, Varanasi against Manager, ICICI Lombard General Insurance Company Ltd, Branch Manager, ICICI, Hemant Kumar and Aditya Birla Insurance Brokers Limited as Claim rejected by insurance company towards motor theft. The liability is Rs. 1,00,000 plus Rs. 90,000 (harassment). The date of hearing was fixed on May 24, 2017.

(f) Ms. Sonam Agarwal has filed a complaint before Permanent Lok Adalat, Lucknow, U.P. against Bharti Axa General Insurance Co. Ltd, SAS Hyundai Motors and Aditya Birla Insurance Brokers Limited due to Non settlement of claim by insurance company. The liability is Rs. 2,20,000 plus interest @ 14% plus Rs. 50,000 plus Rs. 4,30,000 (legal & additional compensation). The date of the hearing is fixed on May 17, 2017.

(g) Ms. Nidhi Gupta has filed a complaint before Consumer Dispute Redressal Forum against Cholamandalam MS General Insurance Co. Ltd , Tirupati Motors and Aditya Birla Insurance Brokers Limited due to Non settlement of claim by insurance company. The liability is Rs. 1,00,412 plus interest @ 24% plus Rs. 4,60,000 (harassment litigation & damages). The date of the hearing is fixed on May 05, 2017.

(k) The Company had received a refund of Rs. 9,47,309 for assessment year 2007-08. The Deputy Commissioner of Income Tax from Income Tax Department has applied to the Income Tax Appellate Tribunal against the order of the Commissioner of Income Tax (Appeal) to disallow certain expenses. In turn ITAT has restored back the matter to the file of AO.

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NOTE '26'

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON ACCOUNTS

(B) OTHER NOTES TO ACCOUNTS

(l) The Commissioner of Service Tax – I, Mumbai has issued a Show Cause Notice (SCN) to the Company, along with a demand of service tax amounting to Rs. 89,20,108 along with interest at the appropriate rate and penalties for alleged non-payment and for suppressing the values of taxable service with reference to non-payment of service tax on re-insurance brokerage income earned by the Company from foreign re-insurers during the period April 01, 2009 till June 30, 2012. The Company has disputed to this demand and responded that the said income has been earned on export of services and hence is exempt from service tax. Based upon an independent legal advise obtained by the Company, the management is of the opinion that it is possible, but not probable, that the action of demand will succeed and accordingly no provision for liability has been recognized in the financial statements.

(m) The DGCEI, Chennai Zonal Unit has issued a Show Cause Notice (SCN) to the Company, along with a demand of service tax amounting to Rs.6,38,25,513 for alleged availment of ineligible cenvat credit on invoices issued by dealer and car manufacturers during the period June 01, 2012 till August 31, 2015. The Company does not agree with the allegations and has filed suitable reply to the SCN stating that the said cenvat credit is eligible as per service tax law and there has been error in understanding the contractual arrangements and the facts of the transactions involved which materially impacts the eligibility of CENVAT credit. Based upon an independent legal advice obtained by the Company, the management is of the opinion that the company has a strong case and chances of cash outflow owing to this demand are remote.

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

A The details of the company's defined benefit plans in respect of gratuity (funded by the company):

General description of the plan

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

Nature of benefits

The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company.

Regulatory framework:

There are no minimum funding requirements for a gratuity plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Since the fund is income tax approved, the Company and the trustees have to ensure that they are at all times fully compliant with the relevant provisions of the income tax and rules. Besides this if the Company is covered by the Payment of Gratuity Act, 1972 then the company is bound to pay the statutory minimum gratuity as prescribed under this Act.

Governance of the plan:

The Company has contributed to an income tax approved irrevocable trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan.

Inherent risks:

The plan is of a final salary defined benefit in nature which is sponsored by the Company and hence it underwrites all the risks pertaining to the plan. In particular, there is a risk for the Company that any adverse salary growth or demographic experience or inadequate returns on underlying plan assets can result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature the plan is not subject to any longevity risks.

B The status of employee benefits as on March 31, 2017 as per actuarial valuation report is as under:

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.
Amounts recognised in Balance Sheet in respect of gratuity:		
Present value of the funded defined benefit obligations at the end of the year	2,74,46,165	1,82,54,974
Fair value of plan assets	2,03,33,851	1,74,68,154
Net (Asset)/ Liability	**71,12,314**	**7,86,820**
Amounts recognised in employee benefits expenses in the Statement of Profit and Loss in respect of gratuity:		
Current service cost	39,39,727	43,99,224
Interest on net defined benefit liability / (assets)	(16,628)	2,82,012
Administration expenses	-	-
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised during the year	-	-
Past service cost	-	-
Net gratuity cost	**39,23,099**	**46,81,236**

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NOTE '26'

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON ACCOUNTS

(B) OTHER NOTES TO ACCOUNTS

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.
Amount recognised in Other Comprehensive Income (OCI) for the year:		
Opening amount recognized in OCI outside the statement of profit and loss	(41,40,320)	-
Actual return on plan assets excluding interest income	(6,94,238)	(2,48,474)
Actuarial changes arising from changes in demographic assumptions	-	(37,13,926)
Actuarial changes arising from changes in financial assumptions	12,52,760	3,34,934
Actuarial changes arising from changes in experience assumptions	23,67,151	(5,12,854)
Closing amount recognised in OCI outside the statement of profit and loss	**(12,14,647)**	**(41,40,320)**

C Reconciliation of present value of the obligation & fair value of plan assets

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.
Change in net liability/ assets		
Opening net defined benefit liability/ (assets)	7,86,820	50,25,151
Expense charged to profit and loss account	39,23,099	46,81,236
Amount recognised outside profit and loss account - OCI	29,25,673	(41,40,320)
Employer contributions	(37,88,469)	(51,95,213)
Impact of liability assumed or (settled)	32,65,191	4,15,966
Closing net defined benefit liability / (asset)	**71,12,314**	**7,86,820**
Change in Present Value of the Obligations:		
Opening defined benefit obligations	1,82,54,974	1,62,18,861
Current service cost	39,39,727	43,99,224
Interest cost	13,68,011	12,82,831
Actuarial changes arising from changes in demographic assumptions	-	(37,13,926)
Actuarial changes arising from changes in financial assumptions	12,52,760	3,34,934
Actuarial changes arising from changes in experience assumptions	23,67,151	(5,12,854)
Past service costs	-	-
Liabilities assumed / (settled)	32,65,191	4,15,966
Benefits paid	(30,01,649)	(1,70,062)
Closing defined benefit obligations	**2,74,46,165**	**1,82,54,974**
Change in fair value of assets:		
Opening fair value of plan assets	1,74,68,154	1,11,93,710
Interest on plan assets	13,84,639	10,00,819
Actuarial gain/(loss)	-	-
Contributes by employer	37,88,469	51,95,213
Remeasurements due to :		
Actual return on plan asset less interest on plan assets	6,94,238	2,48,474
Assets acquired on acquisition/distributed on divestiture	-	-
Benefits paid	(30,01,649)	(1,70,062)
Closing fair value of plan assets	**2,03,33,851**	**1,74,68,154**
Experience adjustment:		
Defined benefit obligation	2,74,46,165	1,82,54,974
Plan assets	2,03,33,851	1,74,68,154
Surplus/(deficit)	**(71,12,314)**	**(7,86,820)**
Principal actuarial assumptions at the balance sheet date:		
Discount rate (p.a.)	7.25%	7.80%
Salary escalation rate	7.00%	7.00%

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NOTE '26'

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON ACCOUNTS

(B) OTHER NOTES TO ACCOUNTS

Sensitivity analysis

The following table summarizes the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

Particulars	March 31, 2017		March 31, 2016	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Impact of 50 basis points increase on DBO	-4.16%	4.44%	-4.49%	4.84%
Impact of 50 basis points decrease on DBO	4.45%	-4.19%	4.83%	-4.54%

Sensitivity analysis method

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

Projected future contributions:

Maturity profile	Amount (Rs.)
Expected benefits for 1 year	25,13,370
Expected benefits for 2 year	22,19,925
Expected benefits for 3 year	22,02,330
Expected benefits for 4 year	24,94,201
Expected benefits for 5 year	20,16,787
Expected benefits for 6 year	24,44,507
Expected benefits for 7 year	17,40,366
Expected benefits for 8 year	16,50,204
Expected benefits for 9 year	70,02,440
Expected benefits for 10 year and above	3,38,93,664

Disaggregation of plan assets	As at March 31, 2017		
	Quoted value	Non quoted value	Total
Government debt instruments	-	24,20,911	24,20,911
Other debt instruments	-	83,691	83,691
Entity's own equity instruments	-	-	-
Insurer managed funds	-	1,21,45,347	1,21,45,347
Others	-	56,83,902	56,83,902
Grand Total	-	**2,03,33,851**	**2,03,33,851**

Disaggregation of plan assets	As at March 31, 2016		
	Quoted value	Non quoted value	Total
Government debt instruments	-	36,64,631	36,64,631
Other debt instruments	-	69,997	69,997
Entity's own equity instruments	-	-	-
Insurer managed funds	-	96,73,849	96,73,849
Others	-	40,59,677	40,59,677
Grand Total	-	**1,74,68,154**	**1,74,68,154**

4 **Defined contribution plan**

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.
Contribution to employees' provident fund (Govt. Provident Fund)	83,72,419	69,20,014
Contribution to employees' pension scheme (Govt. Pension Fund)	41,30,583	34,43,386
Contribution to superannuation fund	-	-
Contribution to ESIC fund	-	-
Contribution to MLW fund	9,584	8,702

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NOTE '26'

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON ACCOUNTS

(B) OTHER NOTES TO ACCOUNTS

5 Related party disclosures

(a) List of related parties:

Relationship	Name of party
Ultimate holding company	Aditya Birla Nuvo Limited (ABNL)
Holding company	Aditya Birla Financial Services Limited (ABFSL) (formerly known as Aditya Birla Financial Services Private Limited)

Relationship	Name of party
Fellow subsidiaries	Aditya Birla Finance Ltd (ABFL)
	Aditya Birla Financial Shared Services Limited (ABFSSL)
	Aditya Birla Money Mart Limited (ABMML)
	Birla Sunlife Insurance Company Limited (BSLICL)
	Aditya Birla Money Limited
	IDEA Cellular Limited
	Aditya Birla Nuvo Employee Gratuity Fund
	Aditya Birla Health Insurance Limited

Notes:

(i) The related party relationships have been identified by the management on the basis of the requirements of the Ind AS–24 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India and the same have been relied upon by the auditors.

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

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SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON ACCOUNTS

(B) OTHER NOTES TO ACCOUNTS

5(b) **Related party transactions:**

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

Particulars	March 31, 2017 Rs.	March 31, 2016 Rs.	April 01, 2015 Rs.
Fellow subsidiaries:			
Income from operations			
Aditya Birla Health Insurance Limited *(General insurance brokerage)*	1,96,88,687	-	-
Other Comprehensive Income/(Loss):			
Aditya Birla Financial Shared Services Limited	(6,88,982)	-	-
Aditya Birla Financial Services Limited	(1,63,655)	87,151	-
Expenses recovered:			
Birla Sunlife Insurance Company Limited *(Employee benefits expenses)*	42,42,554	-	-
Birla Sunlife Insurance Company Limited *(Insurance expenses)*	47,473	-	-
Aditya Birla Financial Shared Services Limited *(Other expenses recovered)*	-	40,543	-
Aditya Birla Money Limited *(Employee benefits expenses)*	-	77,535	-
Expenses reimbursed:			
Aditya Birla Finance Limited *(Other expenses)*	3,17,799	3,12,776	-
Aditya Birla Finance Limited (Wealth) *(Rent expenses - Net of service tax Rs.5,180 and inclusive of SBC Rs.180)*	36,180	-	-
Aditya Birla Finance Limited (Wealth) *(Other expenses - Net of service tax Rs. 22,597 and inclusive of SBC Rs. 779)*	1,56,619	-	-
Birla Sunlife Insurance Company Limited *(Fixed assets - vehicle - transfer of employee)*	34,75,282	-	-
Birla Sunlife Insurance Company Limited *(Rent expenses - net of service tax Rs. 1,37,271 and inclusive of SBC Rs.4,733)*	9,51,438	78,102	-
Birla Sunlife Insurance Company Limited *(Insurance expenses)*	7,91,291	14,32,171	-
Birla Sunlife Insurance Company Limited *(Employee benefits expenses)*	85,116	-	-
Birla Sunlife Asset Management Company Limited *(Rent expenses)*	-	-	-
Aditya Birla Financial Services Limited *(Other expenses - net of service tax Rs. 5,72,081 and inclusive of SBC of Rs. 19,727)*	39,65,111	27,67,429	-
Aditya Birla Financial Services Limited *(Employee benefits expense - net of service tax Rs. 34,76,913 and inclusive of SBC Rs.1,19,558)*	2,39,67,972	90,96,804	-
Aditya Birla Money Mart Limited *(Rent expenses)*	-	48,100	-
Aditya Birla Money Mart Limited *(Other expenses)*	-	32,30,250	-
Aditya Birla Money Limited *(Rent expenses - net of service tax Rs. 1,27,743 and inclusive of SBC Rs.4,440)*	8,93,031	12,27,154.00	-
Aditya Birla Money Limited *(Administrative expenses)*	-	5,901.00	-
Aditya Birla Financial Shared Services Limited *(Employee benefits expenses - Net of service tax Rs. 12,98,116 and inclusive of SBC Rs. 48,343)*	90,28,039	36,60,381	-
Aditya Birla Financial Shared Services Limited *(Service hire expenses - net of service tax Rs. 9,62,817 and inclusive of SBC Rs. 33,201)*	66,73,317	30,20,259	-
Aditya Birla Financial Shared Services Limited *(Other expenses - net of service tax Rs. 6,46,626 and inclusive of SBC Rs.22,297)*	44,81,787	32,27,416	-
Aditya Birla Nuvo Ltd *(Other expenses)*	-	12,312	-
IDEA Cellular Ltd. *(Communication expenses)*	11,74,112	-	-
Aditya Birla Health Insurance Limited *(Prepaid insurance expenses)*	92,81,314	-	-

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SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON ACCOUNTS

(B) OTHER NOTES TO ACCOUNTS

5(b) Related party transactions:

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

Dividend paid:			
Aditya Birla Financial Services Limited	7,96,28,979	6,57,07,128	-
Gratuity paid :			
Aditya Birla Nuvo Employee Gratuity Fund	7,86,820	-	-
Director's fees:			
Mr. M. M. Bhagat	1,50,750	-	-
Mr. Adesh Gupta	1,50,750	-	-
Trade payables:			
Aditya Birla Finance Limited *(Payable against expenses)*	-	-	1,61,366
Aditya Birla Finance Limited (Wealth) *(Payable against expenses)*	78,750	-	-
Birla Sunlife Insurance Company Limited *(Payable against expenses)*	3,31,733	20,344	-
Aditya Birla Money Limited *(Payable against expenses)*	42,249	5,55,936	1,33,484
Aditya Birla Financial Shared Services Limited *(Payable against expenses)*	33,86,582	-	-
Aditya Birla Financial Services Limited *(Payable against expenses)*	1,84,50,790	16,40,778	-
Short term loans and advances:			
Birla Sunlife Insurance Company Limited *(Advance against expenses)*	-	-	3,44,516
Aditya Birla Financial Shared Services Limited *(Advance against expenses)*	-	11,01,015	58,820
Aditya Birla Financial Services Limited *(Advance against expenses)*	-	-	2,67,548
Other current assets (non financial):			
Aditya Birla Financial Shared Services Limited *(Prepaid expenses)*	2,74,872	-	-
Trade and other receivables:			
Aditya Birla Health Insurance Limited (General insurance brokerage)	9,629	-	-
Loan repaid/granted:			
Aditya Birla Finance Limited	-	-	37,69,00,000
Loan obtained/received back:			
Aditya Birla Finance Limited	-	-	67,64,65,596

Notes:

1. Expenses are net of service tax and inclusive of Swachha Bharat Cess (SBC)

2. Payables/Receivables are net of TDS

3. Previous year/ period figures have been regrouped / rearranged wherever necessary to conform to the current year presentation.

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NOTE '26'

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON ACCOUNTS

(C) OTHER NOTES TO ACCOUNTS

6 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations.
The Company's principal financial assets include loans, trade and other receivables, investments in mutual funds and cash and cash equivalents that derive directly from its operations.
The Company's is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks.

6.1 **Market risks**

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

The sensitivity analyses in the following sections relate to the position as at March 31, 2017, March 31, 2016 and April 01, 2015.

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

Assumptions

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2017, March 31, 2016 and April 01, 2015.

6.1.1 **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company manages the interest rate risks by by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's inter corporate deposits. The interest rate on inter corporate deposits is largely of fixed nature, hence the company is not exposed to interest rate risk.

6.1.2 **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.
The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's Reinsurance activities where revenue is denominated in a foreign currency.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible changes in Foreign exchange rates, with all other variables held constant.

Currency	March 31, 2017			
	Effect of 10% strengthening of INR on profit	Effect of 10% strengthening of INR on equity	Effect of 10% Diminishing of INR on profit	Effect of 10% Diminishing of INR on equity
United Arab Emrates Dirham	2,464	2,464	(2,464)	(2,464)
EURO	46,339	46,339	(46,339)	(46,339)
British Pound	2,971	2,971	(2,971)	(2,971)
Kuwaiti Dinar	12,323	12,323	(12,323)	(12,323)
Mozambique New Metical	599	599	(599)	(599)
Philippine Peso	19	19	(19)	(19)
Omani Rial	28	28	(28)	(28)
Sri Lankan Rupees	1,39,048	1,39,048	(1,39,048)	(1,39,048)
Thai Baht	1,06,417	1,06,417	(1,06,417)	(1,06,417)
Turkish Lira	2,17,288	2,17,288	(2,17,288)	(2,17,288)
Tanzanian Shilling	70	70	(70)	(70)
USD Dollar	62,014	62,014	(62,014)	(62,014)
Vietnamese Dong	1,752	1,752	(1,752)	(1,752)
Increase / (Decrease) in profit/ equity	5,91,332	5,91,332	(5,91,332)	(5,91,332)

Currency	March 31, 2016			
	Effect of 10% strengthening of INR on profit	Effect of 10% strengthening of INR on equity	Effect of 10% Diminishing of INR on profit	Effect of 10% Diminishing of INR on equity
United Arab Emirates Dhirams	2,12,318	2,12,318	(2,12,318)	(2,12,318)
EURO	30,531	30,531	(30,531)	(30,531)
Kuwaiti Dinar	12,205	12,205	(12,205)	(12,205)
Sri Lankan Rupees	39,811	39,811	(39,811)	(39,811)
Philippine Peso	21	21	(21)	(21)
Sri Lankan Rupees	14,305	14,305	(14,305)	(14,305)
British Pound	2,029	2,029	(2,029)	(2,029)
Thai Baht	1,06,804	1,06,804	(1,06,804)	(1,06,804)
Turkish Lira	1,43,426	1,43,426	(1,43,426)	(1,43,426)
USD Dollar	33,238	33,238	(33,238)	(33,238)
Increase / (Decrease) in profit/ equity	5,94,688	5,94,688	(5,94,688)	(5,94,688)

Currency	April 01, 2015			
	Effect of 10% strengthening of INR on profit	Effect of 10% strengthening of INR on equity	Effect of 10% Diminishing of INR on profit	Effect of 10% Diminishing of INR on equity
United Arab Emirates Dhirams	2,00,830	2,00,830	(2,00,830)	(2,00,830)
Nepalese Rupee	3,739	3,739	(3,739)	(3,739)
Sri Lankan Rupees	2,967	2,967	(2,967)	(2,967)
Thai Baht	13,379	13,379	(13,379)	(13,379)
Turkish Lira	13,236	13,236	(13,236)	(13,236)
USD Dollar	20,544	20,544	(20,544)	(20,544)
Increase / (Decrease) in profit/ equity	2,54,696	2,54,696	(2,54,696)	(2,54,696)

The sensitivities are based on financial assets and liabilities held at March 31, 2017 where balances are not denominated in the functional currency. The results of the sensitivities could change due to other factors such as changes in the value of financial assets and liabilities as a result of non-foreign exchange influenced factors.

6.2 **Credit risk**

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

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SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON ACCOUNTS

(C) OTHER NOTES TO ACCOUNTS

6.2.1 Trade receivables

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

As at March 31, 2017	Neither past due nor impaired	Past due but not impaired					
		< 30 days	30 to 60 days	61 to 90 days	91 to 120 days	> 120 days	Total
Trade Receivables	-	9,92,87,641	4,06,16,069	1,76,18,257	79,17,981	1,50,55,421	18,04,95,369
Total	-	9,92,87,641	4,06,16,069	1,76,18,257	79,17,981	1,50,55,421	18,04,95,369

As at March 31, 2016	Neither past due nor impaired	Past due but not impaired					
		< 30 days	30 to 60 days	61 to 90 days	91 to 120 days	> 120 days	Total
Trade Receivables	-	6,06,57,241	2,47,39,246	92,18,597	68,06,672	1,29,60,909	11,43,82,665
Total	-	6,06,57,241	2,47,39,246	92,18,597	68,06,672	1,29,60,909	11,43,82,665

As at April 01, 2015	Neither past due nor impaired	Past due but not impaired					
		< 30 days	30 to 60 days	61 to 90 days	91 to 120 days	> 120 days	Total
Trade Receivables	-	3,71,83,891	1,98,72,653	1,20,00,794	44,50,957	93,96,577	8,29,04,872
Total	-	3,71,83,891	1,98,72,653	1,20,00,794	44,50,957	93,96,577	8,29,04,872

Movement allowances	Trade Receivables Rs.
As at April 01, 2015	64,28,470
Provided during the year	1,18,98,440
Amounts written off	84,41,855
Reversals of provision	-
Unwinding of discount	-
Transferred on account of demerger	-
As at March 31, 2016	98,85,055
Provided during the year	1,03,95,768
Amounts written off	89,16,825
Reversals of provision	-
Unwinding of discount	-
Transferred on account of demerger	-
As at March 31, 2017	1,13,63,998

During the year the Company has recognised loss allowance of Rs. 14,78,942 under 12 months expected credit loss model.

6.2.2 Financial instruments and cash deposits

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

6.3 Liquidity risk

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

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

Maturity profile of financial liabilities

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

(Amount in Rs.)

As at March 31, 2017	Less than 3 months	3 to 12 months	1 to 2 years	2 to 3 years	3 to 5 years	> 5 years	Total
Trade & Other Payables	14,27,70,031	10,10,52,107	-	-	-	-	24,38,22,138
Total	14,27,70,031	10,10,52,107	-	-	-	-	24,38,22,138

As at March 31, 2016	Less than 3 months	3 to 12 months	1 to 2 years	2 to 3 years	3 to 5 years	> 5 years	Total
Trade & Other Payables	11,21,45,714	5,97,36,842	-	-	-	-	17,18,82,556
Total	11,21,45,714	5,97,36,842	-	-	-	-	17,18,82,556

As at April 01, 2015	Less Than 3 Months	3 to 12 months	1 to 2 years	2 to 3 years	3 to 5 years	> 5 years	Total
Trade & Other Payables	5,53,97,804	5,02,98,640	-	-	-	-	10,56,96,444
Total	5,53,97,804	5,02,98,640	-	-	-	-	10,56,96,444

6.4 Capital risk management

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

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

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

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

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

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(C) OTHER NOTES TO ACCOUNTS

7 FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques including the DCF model , net book value as appropriate. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Financial assets	Carrying value			Fair value		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Long term loans and advances - Deposits	1,92,70,914	1,52,75,704	1,60,98,942	1,34,48,400	1,23,55,576	1,27,19,596
Current investments	21,11,62,683	9,25,86,670	4,85,52,896	21,11,62,683	9,25,86,670	4,85,52,896
Short term loans and advances - Employee Loan	7,74,569	7,18,202	15,96,336	7,71,226	7,10,931	15,80,466
Total	23,12,08,166	10,85,80,576	6,62,48,174	22,53,82,309	10,56,53,177	6,28,52,958

The management assessed that, the fair value, of cash and cash equivalents, trade receivable and trade & other payables and certain loans approximate their carrying amounts, largely due to their short term maturities

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method at March 31, 2017. The different levels have been defined as follows:

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

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

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

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:

Financial assets	Date of valuation	Total value (Rs.)	Fair value measurement using (Rs.)		
			Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities	Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable	Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable
Long term loans and advances					
Rental & Other Security Deposits	March 31, 2017	1,34,48,400	-	-	1,34,48,400
Current Investments					
Investment in mutual fund units		21,11,62,683	-	21,11,62,683	-
Short Term Loans and Advances					
Employee loans		7,71,226	-	-	7,71,226
Long term loans and advances					
Rental & Other Security Deposits	March 31, 2016	1,23,55,576	-	-	1,23,55,576
Current Investments					
Investment in mutual fund units		9,25,86,670	-	9,25,86,670	-
Short Term Loans and Advances					
Employee loans		7,10,931	-	-	7,10,931
Long term loans and advances					
Rental & Other Security Deposits	April 01, 2015	1,27,19,596	-	-	1,27,19,596
Current Investments					
Investment in mutual fund units		4,85,52,896	-	4,85,52,896	-
Short Term Loans and Advances					
Employee loans		15,80,466	-	-	15,80,466

Description of significant unobservable inputs to valuation:

Discounted Cash Flow (DCF) method is used for the valuation for Loans and other receivable that are carried at amortised cost .

ADITYA BIRLA INSURANCE BROKERS LIMITED

NOTE '26'

SIGNIFICANT ACCOUNTING POLICIES AND OTHER NOTES ON ACCOUNTS

(C) OTHER NOTES TO ACCOUNTS

8 The Company has entered into an operating lease agreement for use of premises which is non cancellable for a period of two years

The future minimum lease payments for the leases at the balance sheet date are as follows:

Future minimum lease payments payables for the period	March 31, 2017	March 31, 2016	April 01, 2015
Not later than one year	2,17,59,135	1,71,11,714	1,58,82,517
Later than one year and not later than five years	2,12,20,696	62,36,864	1,77,77,753
Later than five years	-	-	-

The lease payments recognized in the statement of profit and loss for the year ended March 31, 2017 is Rs. 3,54,97,939 (Previous year ended on March 31, 2016 Rs. 3,18,47,101)

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

10 Earnings per share (basic and diluted):

Particulars	March 31, 2017	March 31, 2016
Net profit after tax available for equity shareholders (Rs)	25,03,29,412	20,81,52,298
Weighted average number of equity shares outstanding (Nos):		
Number of shares at the beginning of the year	2700000	2700000
Bonus Shares issued during the year	NIL	NIL
Number of shares at the end of the year	2700000	2700000
Earning per share (Rs)	92.71	77.09
Nominal value of share (Rs)	10	10

11 Foreign currency transactions:

Nature of transaction	March 31, 2017	March 31, 2016
Earning in foreign currency (Rs)	76,50,460	1,95,10,942
Expenses in foreign currencies (Travel expenses) (Rs)	10,59,689	15,95,617
Expenses in foreign currencies (Other expenses) (Rs)	17,57,065	16,71,453

12 Specified Bank Notes (SBN)

The details of Specified Bank Notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 is as under:-

Particulars	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on November 08, 2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in bank	-	-	-
Closing cash in hand as on December 30, 2016	-	-	-

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

Sr. No.	% of revenue
A	25%
B	14%

14 The figures in respect of the previous year have been regrouped / rearranged, wherever necessary to make them comparable.

As per our report of even date

For S. R. BATLIBOI & ASSOCIATES LLP
ICAI Firm Registration No. : 101049W/E300004
Chartered accountants

Sarvesh Warty

Per Sarvesh Warty
Partner
Membership No: 121411
Place: Mumbai
Date: April 26, 2017

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

Director (DIN-00121181) Ajay Srinivasan

Director (DIN- 00060017) Sushil Agarwal

Company Secretary

Head (Finance & Operations)

Place: Mumbai
Date: April 26, 2017

S.R. Batliboi & Associates LLP Mumbai Chartered Accountants

Aditya Birla Insurance Brokers Ltd. Mumbai