

Reliance Retail Insurance Broking Limited
Financial Statements
2017-18

Independent Auditor's Report

TO THE MEMBERS OF RELIANCE RETAIL INSURANCE BROKING LIMITED

Report on the Financial Statements

We have audited the accompanying Financial statements of **Reliance Retail Insurance Broking Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial statements that give a true and fair view of the state of affairs, profit or loss, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its profit (financial performance 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 in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, 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 Financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact on its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Jignesh Mehta
Partner
Membership No.: 102749

Date : 23rd April, 2018
Place : Mumbai

“Annexure A” to the Independent Auditors’ Report on the Financial Statements of Reliance Retail Insurance Broking Limited (Referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of our report of even date)

- i) As the Company had no fixed assets during the year, clause (i) (a) to clause (i) (c) of paragraph 3 of the Order is not applicable to the Company.
- ii) As the Company had no Inventories during the year, clause (ii) of paragraph of 3 of the Order is not applicable to the Company.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.
- iv) Company has not granted any loans, investments, guarantees and securities covered under section 185 and 186 of the Act.
- v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.
- vi) To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.
- vii) In respect of Statutory dues :
 - a) According to the records of the Company, undisputed statutory dues including provident fund, employees’ state insurance, income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess on account of any dispute, which have not been deposited.
- viii) The Company has not raised loans from financial institutions or banks or government or by issue of debentures and hence clause (viii) of paragraph 3 of the Order is not applicable to the Company.
- ix) The company has not raised money by way of initial public offer or further public offer (including debt instruments) or term Loan and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.
- x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) Company has not paid any managerial remuneration during the year and hence clause (xi) of paragraph 3 of the Order is not applicable to the Company.
- xii) In our opinion company is not a Nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.
- xiii) In our opinion and according to the information and explanations given to us, section 177 of the Act is not applicable to the Company. Further, the Company is in compliance with the section 188 of the Act and details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the Company.

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

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

Jignesh Mehta
Partner
Membership No.: 102749

Date : 23rd April, 2018
Place : Mumbai

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT ON THE FINANCIAL STATEMENTS OF RELIANCE RETAIL INSURANCE BROKING LIMITED

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

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

We have audited the internal financial controls over financial reporting of **Reliance Retail Insurance Broking Limited** (“the Company”) as of 31st March, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, 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 issued by ICAI.

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

Jignesh Mehta
Partner
Membership No.: 102749

Date : 23rd April, 2018
Place : Mumbai

Balance Sheet as at 31st March, 2018

	Notes	As at 31st March, 2018	₹ lakh As at 31st March, 2017
ASSETS			
Non-Current Assets			
Deferred Tax Assets (net)	1	5.70	7.01
Other Non-Current Assets	2	374.94	323.88
Total Non-Current Assets		380.64	330.89
Current Assets			
Financial Assets			
Investments	3	901.52	750.94
Trade Receivables	4	136.35	111.98
Cash and Cash Equivalents	5	72.52	78.26
Other Financial Assets	6	0.14	0.14
Other Current Assets	7	57.26	52.50
Total Current Assets		1,167.79	993.82
Total Assets		1,548.43	1,324.71
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	8	400.00	400.00
Other Equity	9	1,012.33	872.58
Total Equity		1,412.33	1,272.58
Liabilities			
Non-Current Liabilities			
Provisions	10	25.88	29.28
Total Non-Current Liabilities		25.88	29.28
Current Liabilities			
Financial Liabilities			
Trade Payables	11	76.02	2.51
Other Current Liabilities	12	33.50	19.55
Provisions	13	0.70	0.79
Total Current Liabilities		110.22	22.85
Total Liabilities		136.10	52.13
Total Equity and Liabilities		1,548.43	1,324.71
Significant Accounting Policies See accompanying Notes to the Financial Statements	1 to 25		

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants
Firm Registration No. 101720W

Jignesh Mehta
Partner
Membership No. 102749

Place: Mumbai
Dated : 23rd April, 2018

For and on behalf of the Board

Rajendra Kamath
Director

Pramod Bhawalkar
Director

Gulur Venkatesh
Director

Statement of Profit and Loss for the year ended 31st March, 2018

	Notes	2017-18	₹ lakh 2016-17
INCOME			
Revenue from Operations	14	1,218.58	1,322.57
Other Income	15	62.51	89.87
Total Income		1,281.09	1,412.44
EXPENSES			
Employee Benefits Expense	16	321.25	209.73
Other Expenses	17	767.78	1,093.93
Total Expenses		1,089.03	1,303.66
Profit before Tax		192.06	108.78
Tax Expenses:			
Current Tax	18	53.52	37.87
Deferred Tax	1	1.31	(0.33)
		54.83	37.54
Profit for the Year		137.23	71.24
Other Comprehensive Income			
(i) Items that will not be reclassified to Profit or Loss	16.1	3.48	(4.21)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		0.96	(1.39)
		2.52	(2.82)
Total Comprehensive Income for the Year (Net of Tax)		139.75	68.42
Earnings per Equity Share of face value of ₹ 10 each			
Basic and Diluted (in ₹)	22	3.43	1.78
Significant Accounting Policies			
See accompanying Notes to the Financial Statements 1 to 25			

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants
Firm Registration No. 101720W

Jignesh Mehta
Partner
Membership No. 102749

Place: Mumbai
Dated : 23rd April, 2018

For and on behalf of the Board

Rajendra Kamath
Director

Pramod Bhawalkar
Director

Gulur Venkatesh
Director

Statement of Changes in Equity for the year ended 31st March, 2018

A. Equity Share Capital

₹ lakh				
Balance at the beginning of the reporting period i.e. 1st April, 2016	Changes in equity share capital during the year 2016-17	Balance at the end of the reporting period i.e. 31st March, 2017	Changes in equity share capital during the year 2017-18	Balance at the end of the reporting period i.e. 31st March, 2018
4 00.00	-	4 00.00	-	4 00.00

B. Other Equity

₹ lakh

	Reserves & Surplus Retained Earnings	Other Comprehensive Income	Total
As on 31st March, 2017			
Balance at the beginning of reporting period 1st April, 2016	804.05	0.11	804.16
Total Comprehensive income for the year	71.24	(2.82)	68.42
Balance at the end of reporting period 31st March, 2017	875.29	(2.71)	872.58
As on 31st March, 2018			
Balance at the beginning of reporting period 1st April, 2017	875.29	(2.71)	872.58
Total Comprehensive income for the year	137.23	2.52	139.75
Balance at the end of reporting period 31st March, 2018	1,012.52	(0.19)	1,012.33

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants
Firm Registration No. 101720W

Jignesh Mehta
Partner
Membership No. 102749

Place: Mumbai
Dated : 23rd April, 2018

For and on behalf of the Board

Rajendra Kamath
Director

Pramod Bhawalkar
Director

Gulur Venkatesh
Director

Cash Flow Statement for the year ended 31st March, 2018

	2017-18	₹ lakh 2016-17
A: CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax as per Statement of Profit and Loss	192.06	108.78
Adjusted for:		
Net Loss on Financials Assets	(60.42)	(53.86)
Interest Income	(2.09)	(36.01)
	<u>(62.51)</u>	<u>(89.87)</u>
Operating Profit before Working Capital Changes	129.55	18.91
Adjusted for:		
Trade and Other Receivables	(29.13)	(50.80)
Trade and Other Payables	87.45	(25.98)
	<u>58.32</u>	<u>(76.78)</u>
Cash Generated from Operations	187.87	(57.87)
Taxes Paid (Net)	(105.54)	95.27
Net Cash Flow from Operating Activities	82.33	37.40
B: CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Financial Assets	(3,433.00)	(2,595.00)
Proceeds from Sale of Financial Assets	3,342.84	2,582.00
Interest Income	2.09	36.04
Net Cash Flow (used in) / from Investing Activities	(88.07)	23.04
C: CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash Flow from Financing Activities	-	-
Net (Decrease) / Increase in Cash and Cash Equivalents	(5.74)	60.44
Opening Balance of Cash and Cash Equivalents	78.26	17.82
Closing Balance of Cash and Cash Equivalents (Refer Note "5")	72.52	78.26

As per our Report of even date

For **Chaturvedi & Shah**
Chartered Accountants
Firm Registration No. 101720W

Jignesh Mehta
Partner
Membership No. 102749

Place: Mumbai
Dated : 23rd April, 2018

For and on behalf of the Board

Rajendra Kamath
Director

Pramod Bhawalkar
Director

Gulur Venkatesh
Director

Notes to the Financial Statements for the year ended 31st March, 2018

A. Corporate Information

Reliance Retail Insurance Broking Limited (“the Company”) is a limited company incorporated in India having its registered office at 3rd floor, Court House, Lokmanya Tilak Marg, Dhobi Talao, Mumbai 400 002, India. The company’s immediate holding company is Reliance Industrial Investment and Holding Limited and Ultimate holding company is Reliance Industries Limited. The Company is engaged in ‘Insurance broking services’ in India.

B. Significant Accounting Policies

B.1 Basis of Preparation and Presentation

The Financial Statements have been prepared on the historical cost basis except for certain financial assets and liabilities (including derivative instruments) which have been measured at fair value amount:

The Financial Statements of the Company have been prepared to comply with the Indian Accounting standards (‘Ind AS’), including the Rules notified under the relevant provisions of the Companies Act, 2013.

Company’s Financial Statements are presented in Indian Rupees (₹), which is also its functional currency and all values are rounded to the nearest lakh (₹ 00,000) except when otherwise stated.

B.2 Summary of Significant Accounting Policies

(a) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(b) Employee Benefits

Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

Post-Employment Benefits

Defined Contribution Plans

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

Defined Benefit Plans

The Company pays gratuity to the employees whoever has completed five years of service with the Company at the time of resignation. The gratuity is paid @15 days salary for every completed year of service as per the Payment of Gratuity Act, 1972.

The liability in respect of gratuity and other post-employment benefits is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees’ services.

Re-measurement of Defined Benefit Plans in respect of post-employment are charged to the Other Comprehensive Income.

(c) Tax Expenses

The tax expense for the period comprises current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in equity. In which case, the tax is also recognised in Other Comprehensive Income and Equity.

Notes to the Financial Statements for the year ended 31st March, 2018

i) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the Income Tax authorities, based on tax rates and laws that are enacted at the Balance sheet date.

ii) Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

(d) Revenue Recognition

Revenue from rendering of services is recognised when the performance of agreed contractual task has been completed.

Revenue from operations includes sale of services, Goods and Services Tax and adjusted for discounts (net) if any.

Interest Income

Interest income from a Financial Asset is recognised using effective interest rate method.

Dividend Income

Dividend Income is recognised when the Company's right to receive the amount has been established.

(e) Financial Instruments

i) Financial Assets

A. Initial Recognition and Measurement

All Financial Assets are recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of Financial Assets, which are not at Fair Value Through Profit or Loss, are added to the fair value on initial recognition. Purchase and sale of Financial Assets are recognised using trade date accounting.

B. Subsequent Measurement

a) Financial Assets Measured at Amortised Cost (AC)

A Financial Asset is measured at Amortised Cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Financial Assets Measured at Fair Value Through Other Comprehensive Income (FVTOCI)

A Financial Asset is measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling Financial Assets and the contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

c) Financial Assets Measured at Fair Value Through Profit or Loss (FVTPL)

A Financial Asset which is not classified in any of the above categories are measured at FVTPL.

C. Other Equity Investments

All other equity investments are measured at fair value, with value changes recognised in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

D. Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses "Expected Credit Loss"(ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Notes to the Financial Statements for the year ended 31st March, 2018

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For Trade Receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

ii) Financial Liabilities

A. Initial Recognition and Measurement

All Financial Liabilities are recognized at fair value and in case of borrowings, net of directly attributable cost. Fees of recurring nature are directly recognised in the Statement of Profit and Loss as finance cost.

B. Subsequent Measurement

Financial Liabilities are carried at amortized cost using the effective interest method.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii) Derecognition of Financial Instruments

The Company derecognizes a Financial Asset when the contractual rights to the cash flows from the Financial Asset expire or it transfers the Financial Asset and the transfer qualifies for derecognition under Ind AS 109. A Financial Liability (or a part of a Financial Liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expired.

iv) Offsetting

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

C. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the Company's Financial Statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. 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 next financial year.

(a) Recoverability of Trade Receivable

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include assessing the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

(b) Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

Notes to the Financial Statements for the year ended 31st March, 2018

(c) Impairment of Financial Assets

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

D. Standards Issued but not Effective

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS.

These amendments shall be applicable to the Company from April 01, 2018.

(a) Issue Of Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

(b) Amendment to Existing issued Ind AS

The MCA has also carried out amendments of the following accounting standards;

- i. Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
- ii. Ind AS 40 - Investment Property
- iii. Ind AS 12 - Income Taxes

Application of above standards are not expected to have any significant impact on the Company's Financial Statements.

Notes to the Financial Statements for the year ended 31st March, 2018

	As at 31st March, 2018	As at 31st March, 2017	₹ lakh
1. Deferred Tax Assets (Net)			
The movement on the deferred tax account is as follows:			
At the start of the year	7.01		6.68
(Credit) / Debit to profit or loss (Note "18")	(1.31)		0.33
At the end of year	5.70		7.01
Component of Deferred tax Assets / (Liabilities)			
	As at 31st March, 2017	Credit to profit or loss	As at 31st March, 2018
Deferred tax asset / (liabilities) in relation to:			
Financial Assets	7.01	1.31	5.70
	7.01	1.31	5.70
2. Other Non-Current Assets (Unsecured and Considered Good)			₹ lakh
Advance Income Tax (Net of Provision) ⁽ⁱ⁾	374.94		323.88
Total	374.94		323.88
⁽ⁱ⁾ Advance Income Tax (Net of Provision)	As at 31st March, 2018	As at 31st March, 2017	
At start of year	323.88		455.63
Charge for the year - Current Tax	(53.52)		(37.87)
Others *	(0.96)		1.39
Tax paid (Net) during the year	105.54		(95.27)
At end of year	374.94		323.88
* Pertains to Provision for tax on Other Comprehensive Income			
3. Investments - Current			₹ lakh
	As at 31st March, 2018	As at 31st March, 2017	
Investments Measured at Fair Value Through Profit and Loss			
Investment in mutual funds - Unquoted	901.52		750.94
Total	901.52		750.94
Aggregate amount of Unquoted investments	901.52		750.94

Notes to the Financial Statements for the year ended 31st March, 2018

	As at 31st March, 2018	₹ lakh As at 31st March, 2017
4. Trade Receivables (Unsecured and Considered Good)		
Trade Receivables	136.35	111.98
Total	136.35	111.98
5. Cash and Cash Equivalents		
Balances with Banks ^{(i) and (ii)}	72.52	78.26
Cash and Cash Equivalents as per Balance Sheet / Statement of Cash Flows	72.52	78.26
<p>⁽ⁱ⁾ Includes deposits ₹ Nil (Previous year ₹ 10 lakhs) with maturity period of more than 12 months.</p> <p>⁽ⁱⁱ⁾ Includes deposits ₹ 10 lakhs (previous year ₹ 10 lakhs) held as security with Insurance Regulatory and Development Authority.</p>		
5.1 Cash and Cash Equivalents includes deposits maintained by the Company with banks, which can be withdrawn by the Company at any point of time without prior notice or penalty on the principal.		
6. Other Financial Assets - Current		
Others ⁽ⁱ⁾	0.14	0.14
Total	0.14	0.14
<p>⁽ⁱ⁾ Others include Treasury receivables and interest receivable.</p>		
7. Other Current Assets (unsecured and considered good)		
Balance with GST and State authorities	50.46	37.08
Others ⁽ⁱ⁾	6.80	15.42
Total	57.26	52.50
<p>⁽ⁱ⁾ Includes advances to employees and vendors.</p>		
8. Share Capital		
Authorised Share Capital:		
40,00,000 Equity Shares of ₹ 10 each (40,00,000)	400.00	400.00
Total	400.00	400.00
Issued, Subscribed and Paid up:		
40,00,000 Equity Shares of ₹ 10 each (40,00,000)	400.00	400.00
Total	400.00	400.00

(i) All the above 40,00,000 (previous year 40,00,000) equity shares of ₹10 each fully paid-up are held by Reliance Industrial Investments and Holdings Limited, the holding company along with its nominees.

Notes to the Financial Statements for the year ended 31st March, 2018

(ii) The details of Shareholder holding more than 5% shares :

Name of the Shareholder	As at 31st March, 2018		As at 31st March, 2017	
	No. of Shares	% held	No. of Shares	% held
Reliance Industrial Investments and Holdings Limited	40,00,000	100.00	40,00,000	100.00

(iii) The reconciliation of the number of shares outstanding is set below:

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	No. of shares		No. of shares	
Equity shares at the beginning of the year	40,00,000		40,00,000	
Add: Equity shares issued during the year	-		-	
Equity shares at the end of the year	40,00,000		40,00,000	

(iv) The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share.

9. Other Equity	As at		₹ lakh
	31st March, 2018	31st March, 2017	As at 31st March, 2017
Retained Earnings			
As per last Balance Sheet	875.29	804.05	
Add: Profit for the year	137.23	71.24	
	<u>1,012.52</u>	<u>875.29</u>	
Other Comprehensive Income (OCI)			
As per last Balance Sheet	(2.71)	0.11	
Add: Movement in OCI (Net) during the year	2.52	(2.82)	
	<u>(0.19)</u>	<u>(2.71)</u>	
Total	<u>1,012.33</u>	<u>872.58</u>	

10. Provisions - Non-Current	As at		₹ lakh
	31st March, 2018	31st March, 2017	As at 31st March, 2017
Provision for employee benefits (Refer Note No. 16.1) ⁽ⁱ⁾	25.88	29.28	
Total	<u>25.88</u>	<u>29.28</u>	

⁽ⁱ⁾ The provision for employee benefit includes gratuity, annual leave and vested long service leave entitlement accrued and compensation claims made by employees.

11. Trade Payables	As at		₹ lakh
	31st March, 2018	31st March, 2017	As at 31st March, 2017
Micro and Small Enterprises	-	-	
Others	76.02	2.51	
	<u>76.02</u>	<u>2.51</u>	
Total	<u>76.02</u>	<u>2.51</u>	

Notes to the Financial Statements for the year ended 31st March, 2018

11.1 There are no amounts outstanding to Micro, Small and Medium Enterprises as at March 31, 2018 and no amount were due during the year for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

	As at 31st March, 2018	₹ lakh As at 31st March, 2017
12. Other Current Liabilities		
Other payables ⁽ⁱ⁾	33.50	19.55
	<u>33.50</u>	<u>19.55</u>

⁽ⁱ⁾ Includes advances received and statutory liabilities.

	As at 31st March, 2018	₹ lakh As at 31st March, 2017
13. Provisions - Current		
Provision for employee benefits (Refer Note. No. 16.1) ⁽ⁱ⁾	0.70	0.79
Total	<u>0.70</u>	<u>0.79</u>

⁽ⁱ⁾ The provision for employee benefit includes gratuity, annual leave and vested long service leave entitlement accrued and compensation claims made by employees.

	2017-18	₹ lakh 2016-17
14. Revenue from Operations		
Income from Services	1,431.49	1,520.45
Less: GST / Service Tax recovered	212.91	197.88
Total	<u>1,218.58</u>	<u>1,322.57</u>

14.1 Revenue from Operations - Insurer wise:

Sr. No.	Name of the Insurer	2017-18	₹ lakh 2016-17
1	The New India Assurance Company Limited	428.16	394.39
2	HDFC Ergo General Insurance Company Limited	421.87	358.15
3	ICICI Lombard General Insurance Company Limited	294.96	409.19
4	The Oriental Insurance Company Limited	35.38	28.16
5	Liberty Videocon General Insurance Company Limited	20.44	9.50
6	Bajaj Allianz General Insurance Company Limited	6.51	3.81
7	Religare Health Insurance Company Limited	4.77	5.02
8	Future Generali India Insurance Company Limited	3.69	3.62
9	United India Insurance Company Limited	0.78	109.67
10	Star Health and Allied Insurance Company Limited	0.57	0.76
11	Tata AIG General Insurance Company Limited	0.55	-
12	Iffco Tokio General Insurance Company Limited	0.50	-
13	Bajaj Allianz Life Insurance Company Limited	0.18	-
14	Royal Sundaram General Insurance Company Limited	0.09	0.10
15	ICICI Prudential Life Insurance Company Limited	0.08	0.18
16	Kotak Mahindra Life Insurance Company Limited	0.05	0.01
17	PNB Metlife India Insurance Company Limited	-	0.01
		<u>1,218.58</u>	<u>1,322.57</u>

Notes to the Financial Statements for the year ended 31st March, 2018

	₹ lakh	
	2017-18	2016-17
15. Other Income		
Interest		
From Bank Deposits	0.77	0.74
From Others	<u>1.32</u>	<u>35.27</u>
	2.09	36.01
Gain on Financial Assets		
Realised Gain	58.90	39.45
Unrealised Gain	<u>1.52</u>	<u>14.41</u>
	60.42	53.86
Total	<u>62.51</u>	<u>89.87</u>

Above other income comprises of assets measured at amortised cost ₹ 0.77 Lakhs (Previous Year ₹ 0.74 Lakhs) and at Fair value through Profit & Loss ₹ 61.74 Lakhs (Previous Year ₹ 89.13 Lakhs)

	₹ lakh	
	2017-18	2016-17
16. Employee Benefits Expense		
Salaries and wages	285.39	183.53
Contribution to provident fund and other funds	32.54	17.06
Staff welfare expenses	<u>3.32</u>	<u>9.14</u>
Total	<u>321.25</u>	<u>209.73</u>

16.1 As per IND AS 19 “Employee Benefits”, the disclosures as defined are given below:

Defined Contribution Plan

₹ lakh

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

	2017-18	2016-17
Employer’s contribution to Provident Fund	6.00	4.21
Employer’s contribution to Pension Scheme	<u>10.23</u>	<u>5.12</u>

Defined Benefit Plan

The Company operates post retirement benefit plans as follows:

₹ lakh

I. Reconciliation of opening and closing balances of defined benefit obligation

Particulars	Gratuity (unfunded)	
	2017-18	2016-17
Defined benefit obligation at beginning of the year	19.96	13.55
Current service cost	3.85	2.09
Interest cost	1.49	1.08
Actuarial (gain)/ loss	(3.48)	4.21
Benefits paid	(3.56)	(0.97)
Defined benefit obligation at year end	18.26	19.96

Notes to the Financial Statements for the year ended 31st March, 2018

II. Reconciliation of fair value of assets and obligations	Gratuity (unfunded)	
	2017-18	2016-17
Present value of obligation	18.26	19.96
Amount recognised in Balance Sheet (Surplus /Deficit)	18.26	19.96
III. Expenses recognised during the year	Gratuity (unfunded)	
In Income Statement	2017-18	2016-17
Current service cost	3.85	2.09
Interest cost	1.49	1.08
Actuarial (Gain)/ loss	-	-
Net Cost	5.34	3.17
In Other Comprehensive Income		
Actuarial (gain)/ loss recognised in the year	(3.48)	4.21
Net (Income)/ Expense For the period Recognised in OCI	(3.48)	4.21
IV. Actuarial assumptions	Gratuity (unfunded)	
	2017-18	2016-17
Mortality Table (IALM)	2006-08	2006-08
	(Ultimate)	(Ultimate)
Discount rate (per annum)	8.00%	7.46%
Rate of escalation in salary (per annum)	6.00%	6.00%
Rate of employee turnover (per annum)	2.00%	2.00%

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

V. The expected contributions for Defined Benefit Plan for the next financial year will be in line with Financial year 2017-18.

VI. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary, increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below:

Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Decrease	Increase	Decrease	Increase
Change in discounting rate (delta effect of +/- 0.5%)	1.28	1.41	1.39	1.54
Change in rate of salary increase(delta effect of +/- 0.5%)	1.30	1.43	1.41	1.55
Change in rate of employee turnover (delta effect of +/- 0.5%)	0.22	0.20	0.28	0.26

These plans typically expose the Group to actuarial risks such as: Interest risk, Longevity risk and Salary risk.

Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

₹ lakh

Notes to the Financial Statements for the year ended 31st March, 2018

	2017-18	₹ lakh 2016-17
17. Other Expenses		
Establishment Expenses		
Hire charges contracted services	193.40	378.34
Rent including lease rentals	356.61	455.59
Insurance	15.63	3.04
Rates and taxes	1.30	1.14
Travelling and conveyance expenses	8.53	10.11
Professional fees	181.94	236.18
General expenses	8.29	7.47
	<u>765.70</u>	<u>1,091.87</u>
Payments to Auditor		
Statutory audit fees	1.41	1.30
Tax audit fees	0.35	0.33
Certification and consultation fees	0.32	0.43
	<u>2.08</u>	<u>2.06</u>
Total	<u><u>767.78</u></u>	<u><u>1,093.93</u></u>
18. Taxation	As at 31st March, 2018	₹ lakh As at 31st March, 2017
Income tax Recognised in the Statement of Profit or Loss	54.83	37.54
Current tax	53.52	37.87
Deferred tax	1.31	(0.33)
Total Income Tax Expenses recognised in the current year	54.83	37.54
The income tax expenses for the year can be reconciled to the accounting profit as follows:		
Profit before tax	192.06	108.78
Applicable tax rate	27.55%	33.06%
Computed tax expenses	52.92	35.97
Tax Effect of:		
Expenses disallowed	0.66	3.16
Additional Allowances	(1.61)	(2.66)
Effect of Additional allowances for capital gain	1.55	1.41
Current Tax Provision (A)	<u><u>53.52</u></u>	<u><u>37.87</u></u>
Incremental Deferred Tax Liability (Assets) on account of Financial Assets and Other Items	1.31	(0.33)
Deferred Tax Provision (B)	<u><u>1.31</u></u>	<u><u>(0.33)</u></u>
Tax Expenses recognised in Statement of Profit and Loss (A+B)	54.83	37.54
Effective Tax Rate	28.54%	34.51%

19. Capital Management

The Company manages its capital to ensure that it will continue as going concern while maximising the return to stakeholders. The company manages its capital structure and make adjustment in light of changes in business conditon. The overall strategy remains unchanged as compare to last year.

Notes to the Financial Statements for the year ended 31st March, 2018

20. Financial Instrument

Valuation Methodology

All financial instruments are initially recognized and subsequently re-measured at fair value as described below:

All foreign currency denominated assets and liabilities are translated using exchange rate at reporting date.

Fair value measurement hierarchy:

₹ lakh

Particulars	As at 31st March, 2018			As at 31st March, 2017		
	Carrying amount	Level of Input used in		Carrying amount	Level of Input used in	
		Level 1	Level 2		Level 1	Level 2
Financial Assets						
<u>At Amortised Cost</u>						
Trade Receivables	136.35	-	-	111.98	-	-
Cash and Cash Equivalents	72.52	-	-	78.26	-	-
Other Financial Assets	0.14	-	-	0.14	-	-
<u>At FVTPL</u>						
Investments	901.52	-	-	750.94	-	-
Financial Liabilities						
<u>At Amortised Cost</u>						
Trade Payables	76.02	-	-	2.51	-	-

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements as described below:

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

Level 2: Inputs other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Credit Risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due causing financial loss to the company.

It arises principally from credit exposures to customers relating to outstanding receivables

Liquidity Risk

Liquidity risk is the risk that suitable sources of funding for the company's business activities may not be available. Management monitors rolling forecasts of the company's liquidity position on the basis of expected cash flows. Company manages liquidity risk by maintaining adequate reserves and matching maturity profiles of financial assets and financial liabilities.

21. The Company is mainly engaged in 'insurance broking services' in India. All the activities of the Company revolve around this main business. Accordingly, the Company has only one identifiable segment reportable under Ind AS 108 "Operating Segment". The chief operational decision maker monitors the operating results of the entity's business for the purpose of making decisions about resource allocation and performance assessment.

22. Earnings Per Share (EPS)	2017-18	2016-17
Face Value per Equity Share (₹)	10.00	10.00
Basic / Diluted Earnings per Share (₹)	3.43	1.78
Net profit/ (loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹ lakh)	137.23	71.24
Weighted average number of equity shares used as denominator for calculating Basic / Diluted EPS	40,00,000	40,00,000

Notes to the Financial Statements for the year ended 31st March, 2018

23. Related Parties Disclosures

As per Ind AS 24, the disclosures of transactions with the Related Parties are given below :

(i) List of Related Parties with whom transactions have taken place and relationships:

Sr. No.	Name of the Related Parties	Relationship
1	Reliance Industries Limited	Ultimate Holding Company
2	Reliance Industrial Investments And Holdings Limited	Holding Company
3	Reliance Retail Limited	Fellow Subsidiaries
4	Reliance Corporate IT Park Limited	
5	Reliance SMSL Limited	

(ii) Transactions during the year with Related Parties (excluding reimbursements):

Sr. No.	Nature of transactions	Holding Company	Fellow Subsidiaries	₹ lakh Total
Expenditure				
1	Hire charges-contracted services	-	226.20	226.20
		-	<i>432.94</i>	<i>432.94</i>
2	Rent	-	418.24	418.24
		-	<i>521.39</i>	<i>521.39</i>
3	Professional fees	0.60	212.35	212.95
		-	<i>270.25</i>	<i>270.25</i>
Balance as at 31st March, 2018				
4	Share capital	400.00	-	400.00
		<i>400.00</i>	-	<i>400.00</i>

Figures in italic represents previous year's amount.

(iii) Disclosure in respect of major Related Party transactions during the year:

Sr. No.	Particulars	Relationship	2017-18	2016-17
1 Hire charges-contracted services				
	Reliance Retail Limited	Fellow Subsidiary	226.20	232.94
	Reliance SMSL Limited	Fellow Subsidiary	-	200.00
2 Rent				
	Reliance Retail Limited	Fellow Subsidiary	418.24	521.39
3 Professional Fees				
	Reliance Industries Limited	Ultimate Holding Company	0.60	-
	Reliance Corporate IT Park Limited	Fellow Subsidiary	212.35	270.25

24. The figures for the corresponding previous year have been regrouped / reclassified wherever necessary, to make them comparable.

25. The Financial Statements were approved for issue by the Board of Directors on 23rd April, 2018

As per our Report of even date

For and on behalf of the Board

For **Chaturvedi & Shah**
Chartered Accountants
Firm Registration No. 101720W

Rajendra Kamath
Director

Jignesh Mehta
Partner
Membership No. 102749

Pramod Bhawalkar
Director

Place: Mumbai
Dated : 23rd April, 2018

Gulur Venkatesh
Director