

# **Reliance Retail Insurance Broking Limited**

## 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 March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

#### Auditor's Responsibility

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

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

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

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

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its profit and its cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

- 
- c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164(2) of the Act.
- f. 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 that require provision under any law or accounting standards for which there were any material foreseeable losses.
  - iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company during the year.

For **Chaturvedi & Shah**  
*Chartered Accountants*  
Registration No : 101720W

Place : Mumbai  
Date : April 13, 2015

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

**Balance Sheet as at 31st March, 2015**

|  | Note    | As at<br>31st March, 2015 | ₹ lakh<br>As at<br>31st March, 2014 |
|--|---------|---------------------------|-------------------------------------|
| <b>EQUITY AND LIABILITIES</b>                                    |         |                           |                                     |
| <b>Shareholders' funds</b>                                       |         |                           |                                     |
| Share capital  | 1       | 4 00.00                   | 4 00.00                             |
| Reserves and surplus   | 2       | 5 85.80                   | 3 90.37                             |
|  |         | <b>9 85.80</b>            | 7 90.37                             |
| <b>Non-current liabilities</b>                                   |         |                           |                                     |
| Long-term provisions   | 3       | 16.91                     | 14.66                               |
| <b>Current liabilities</b>                                       |         |                           |                                     |
| Trade payables   | 4       | 75.71                     | 38.83                               |
| Other current liabilities  | 4       | 66.47                     | 18.16                               |
| Short-term provisions  | 5       | 0.50                      | 0.75                                |
|  |         | <b>1.42.68</b>            | 57.74                               |
| <b>Total</b>   |         | <b>11 45.39</b>           | <b>8 62.77</b>                      |
| <b>ASSETS</b>  |         |                           |                                     |
| <b>Non-current assets</b>  |         |                           |                                     |
| Deferred tax assets (net)  | 6       | 5.77                      | 5.65                                |
| Long-term loans and advances                                     | 7       | 3 98.79                   | 3 96.21                             |
|  |         | <b>4 04.56</b>            | 4 01.86                             |
| <b>Current assets</b>  |         |                           |                                     |
| Current investments  | 8       | 5 40.74                   | 2 44.92                             |
| Trade receivables  | 9       | 86.73                     | 1 03.21                             |
| Cash and bank balances   | 10      | 30.29                     | 31.47                               |
| Short-term loans and advances                                    | 11      | 83.07                     | 81.31                               |
|  |         | <b>7 40.83</b>            | 4 60.91                             |
| <b>Total</b>   |         | <b>11 45.39</b>           | <b>8 62.77</b>                      |
| Significant accounting policies<br>Notes on financial statements | 1 to 23 |                           |                                     |

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 : 13<sup>th</sup> April, 2015

For and on behalf of the Board

**Rajendra Kamath**  
Director  
DIN : 01115052

**Pramod Bhawalkar**  
Director  
DIN : 01114946

**Venkatesh Gulur**  
Director  
DIN : 02813390

## Statement of Profit and Loss for the year ended 31st March, 2015

|  | Note    | 2014-15         | ₹ lakh<br>2013-14 |
|--|---------|-----------------|-------------------|
| <b>INCOME</b>  |         |                 |                   |
| Revenue from operations  | 12      | 15 37.66        | 16 61.88          |
| Other income   | 13      | 28.70           | 30.72             |
| <b>Total revenue</b>   |         | <b>15 66.36</b> | <b>16 92.60</b>   |
| <b>EXPENDITURE</b>   |         |                 |                   |
| Employee benefits expense  | 14      | 1 71.82         | 1 71.61           |
| Other expenses   | 15      | 11 40.19        | 13 93.86          |
| <b>Total expenses</b>  |         | <b>13 12.01</b> | <b>15 65.47</b>   |
| <b>Profit/(loss) before tax</b>                                  |         | <b>2 54.35</b>  | <b>1 27.13</b>    |
| Tax expenses:  |         |                 |                   |
| Current tax  |         | 59.05           | 19.89             |
| Deferred tax   |         | (0.13)          | ( 0.15)           |
|  |         | <b>58.92</b>    | <b>19.74</b>      |
| <b>Profit/(loss) for the year</b>                                |         | <b>1 95.43</b>  | <b>1 07.39</b>    |
| <b>Earnings per equity share of face value of ₹ 10 each</b>      |         |                 |                   |
| Basic and Diluted (in ₹)   | 19      | 4.89            | 2.68              |
| Significant accounting policies<br>Notes on financial statements | 1 to 23 |                 |                   |

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 : 13<sup>th</sup> April, 2015

For and on behalf of the Board

**Rajendra Kamath**  
Director  
DIN : 01115052

**Pramod Bhawalkar**  
Director  
DIN : 01114946

**Venkatesh Guler**  
Director  
DIN : 02813390

**Cash Flow Statement for the year 2014-15**

|  | 2014-15          | ₹ lakh<br>2013-14 |
|--|------------------|-------------------|
| <b>A: CASH FLOW FROM OPERATING ACTIVITIES</b>                        |                  |                   |
| <b>Profit/ (loss) before tax as per Statement of Profit and Loss</b> | <b>2 54.35</b>   | 1 27.13           |
| <b>Adjusted for:</b>   |                  |                   |
| Dividend income  | (0.13)           | (29.55)           |
| (Profit)/ loss on sale of investments (net)                          | (27.69)          | -                 |
| Interest income  | (0.88)           | (1.17)            |
|  | <u>(28.70)</u>   | <u>(30.72)</u>    |
| <b>Operating profit/ (loss) before working capital changes</b>       | <b>2 25.65</b>   | 96.41             |
| <b>Adjusted for:</b>   |                  |                   |
| Trade and other receivables  | 14.72            | 30.10             |
| Trade and other payables   | 87.19            | (2 65.63)         |
|  | <u>1 01.91</u>   | <u>(2 35.53)</u>  |
| <b>Cash generated from/ (used in) operations</b>                     | <b>3 27.56</b>   | (1 39.12)         |
| Taxes (paid)/ refund   | (61.62)          | (1 67.27)         |
| <b>Net cash from/ (used in) operating activities</b>                 | <b>2 65.94</b>   | (3 06.39)         |
| <b>B: CASH FLOW FROM INVESTING ACTIVITIES</b>                        |                  |                   |
| Purchase of investments  | (23 03.06)       | (19 54.99)        |
| Sale of investments  | 20 35.06         | 22 15.00          |
| Investment in fixed deposits   | -                | (10.00)           |
| Interest income  | 0.88             | 1.24              |
| <b>Net cash from/ (used in) investing activities</b>                 | <b>(2 67.12)</b> | 2 51.25           |
| <b>C: CASH FLOW FROM FINANCING ACTIVITIES</b>                        | -                | -                 |
| <b>Net decrease in cash and cash equivalents</b>                     | <b>(1.18)</b>    | (55.14)           |
| <b>Opening balance of cash and cash equivalents</b>                  | <b>21.47</b>     | 76.61             |
| <b>Closing balance of cash and cash equivalents (Refer Note 10)</b>  | <b>20.29</b>     | 21.47             |

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 : 13<sup>th</sup> April, 2015

For and on behalf of the Board

**Rajendra Kamath**  
Director  
DIN : 01115052

**Pramod Bhawalkar**  
Director  
DIN : 01114946

**Venkatesh Gulur**  
Director  
DIN : 02813390

## Significant accounting policies

---

### A. Basis of preparation of financial statements

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

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

### B. Use of estimates

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

### C. Impairment of assets

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

### D. Investments

Current investments are carried at the lower of cost and quoted/ fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

### E. Revenue recognition

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations represents services i.e. Fee and Brokerage income and the same is recognised when the corresponding service is provided, adjusted for service tax. Dividend income is recognised when right to receive is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

### F. Employee benefits

#### i) Short term employee benefits

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

#### ii) Post employment benefits:

##### a) Defined Contribution Plans

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

##### b) Defined Benefit Plans

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

### G. Provision for current and deferred tax

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

### H. Provisions, contingent liabilities and contingent assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

## Notes on financial statements for the year ended 31st March, 2015

|  | ₹ lakh                            |                                   |
|--|-----------------------------------|-----------------------------------|
|  | As at<br>31st March, 2015         | As at<br>31st March, 2014         |
| <b>1. Share capital</b>  |                                   |                                   |
| <b>Authorised:</b>   |                                   |                                   |
| 40,00,000 Equity shares of ₹ 10 each<br>(40,00,000)  | 4 00.00                           | 4 00.00                           |
| <b>Total</b>   | <u>4 00.00</u>                    | <u>4 00.00</u>                    |
| <b>Issued, subscribed and paid-up:</b>   |                                   |                                   |
| <b>Fully paid-up</b>   |                                   |                                   |
| 40,00,000 Equity shares of ₹ 10 each<br>(40,00,000)  | 4 00.00                           | 4 00.00                           |
| <b>Total</b>   | <u>4 00.00</u>                    | <u>4 00.00</u>                    |
| (i) All the above 40,00,000 (previous year 40,00,000) equity shares of ₹10 each fully paid-up are held by Reliance Industrial Investments and Holdings Limited, the holding company along with its nominees. |                                   |                                   |
| (ii) <b>The details of Shareholders holding more than 5% shares :</b>  |                                   |                                   |
| <b>Name of the Shareholders</b>  | <b>As at<br/>31st March, 2015</b> | <b>As at<br/>31st March, 2014</b> |
|  | <b>No. of<br/>Shares</b>          | <b>No. of<br/>Shares</b>          |
| Reliance Industrial Investments and Holdings Limited   | 40,00,000                         | 40,00,000                         |
|  | 100                               | 100                               |
| (iii) <b>Reconciliation of opening and closing number of shares</b>  |                                   |                                   |
| <b>Particulars</b>   | <b>As at<br/>31st March, 2015</b> | <b>As at<br/>31st March, 2014</b> |
|  | <b>No. of shares</b>              | <b>No. of shares</b>              |
| Equity shares outstanding at the beginning of the year   | 40,00,000                         | 40,00,000                         |
| Add: Equity shares issued during the year  | -                                 | -                                 |
| Equity shares outstanding at the end of the year   | 40,00,000                         | 40,00,000                         |
| <b>2. Reserves and surplus</b>   |                                   |                                   |
|  | <b>As at<br/>31st March, 2015</b> | <b>As at<br/>31st March, 2014</b> |
| <b>Surplus</b>   |                                   |                                   |
| <b>Profit and Loss Account</b>   |                                   |                                   |
| As per last Balance Sheet  | 3 90.37                           | 2 82.98                           |
| Add: Profit/ (loss) for the year   | 1 95.43                           | 1 07.39                           |
| <b>Total</b>   | <u>5 85.80</u>                    | <u>3 90.37</u>                    |



## Notes on financial statements for the year ended 31st March, 2015

|  | As at<br>31st March, 2015 | ₹ lakh<br>As at<br>31st March, 2014 |
|--|---------------------------|-------------------------------------|
| <b>3. Long-term provisions</b>   |                           |                                     |
| Provision for employee benefits  | <u>16.91</u>              | <u>14.66</u>                        |
| <b>Total</b>   | <u><u>16.91</u></u>       | <u><u>14.66</u></u>                 |
| <b>4. Trade payables and other current liabilities</b>                           |                           |                                     |
| <b>Trade payables</b>  |                           |                                     |
| Micro and Small Enterprises <sup>(i)</sup>                                       | -                         | -                                   |
| Others   | <u>75.71</u>              | <u>38.83</u>                        |
|  | <b>75.71</b>              | <b>38.83</b>                        |
| <b>Other current liabilities</b>   |                           |                                     |
| Others <sup>(ii)</sup>   | <u>66.47</u>              | <u>18.16</u>                        |
| <b>Total</b>   | <u><u>1 42.18</u></u>     | <u><u>56.99</u></u>                 |
| <sup>(i)</sup> Refer note "21"   |                           |                                     |
| <sup>(ii)</sup> Includes advance from customer and statutory liabilities.        |                           |                                     |
| <b>5. Short-term provisions</b>  |                           |                                     |
| Provision for employee benefits  | <u>0.50</u>               | <u>0.75</u>                         |
| <b>Total</b>   | <u><u>0.50</u></u>        | <u><u>0.75</u></u>                  |
| <b>6. Deferred tax assets (net)</b>  |                           |                                     |
| Deferred tax assets  |                           |                                     |
| Disallowance under the Income Tax Act, 1961                                      | <u>5.77</u>               | <u>5.65</u>                         |
| <b>Total</b>   | <u><u>5.77</u></u>        | <u><u>5.65</u></u>                  |
| <b>7. Long-term loans and advances</b><br><i>(unsecured and considered good)</i> |                           |                                     |
| Advance income tax (net of provision)  | <u>3 98.79</u>            | <u>3 96.21</u>                      |
| <b>Total</b>   | <u><u>3 98.79</u></u>     | <u><u>3 96.21</u></u>               |

## Notes on financial statements for the year ended 31st March, 2015

|  | As at<br>31st March, 2015 | ₹ lakh<br>As at<br>31st March, 2014 |
|--|---------------------------|-------------------------------------|
| <b>8. Current investments</b><br><i>(valued at lower of cost and quoted/ fair value)</i>   |                           |                                     |
| <b>Investment in mutual funds</b>  |                           |                                     |
| <b>In units - unquoted</b>   |                           |                                     |
| 265,311 ICICI Prudential Liquid Plan - Regular Growth  | 5 40.74                   | -                                   |
| - ₹ 100 each   |                           |                                     |
| - ICICI Prudential Liquid Super Institutional Plan-Daily   | -                         | 2 44.92                             |
| (2,44,761) Dividend of ₹ 100 each  |                           |                                     |
| <b>Total</b>   | <b>5 40.74</b>            | <b>2 44.92</b>                      |
| <b>Aggregate value of</b>  | <b>Book value</b>         | <b>Book value</b>                   |
| Unquoted investments   | 5 40.74                   | 2 44.92                             |
| <b>9. Trade receivables</b><br><i>(unsecured and considered good)</i>  |                           |                                     |
| Outstanding for a period exceeding six months  | -                         | 0.80                                |
| Others   | 86.73                     | 1 02.41                             |
| <b>Total</b>   | <b>86.73</b>              | <b>1 03.21</b>                      |
| <b>10. Cash and bank balances</b>  |                           |                                     |
| <b>Cash and cash equivalents</b>   |                           |                                     |
| <b>Bank balance</b>  |                           |                                     |
| In current accounts  | 20.29                     | 21.47                               |
| <b>Sub Total</b>   | <b>20.29</b>              | <b>21.47</b>                        |
| <b>Other bank balance</b>  |                           |                                     |
| In deposit <sup>(i) and (ii)</sup>   | 10.00                     | 10.00                               |
| <b>Sub Total</b>   | <b>10.00</b>              | <b>10.00</b>                        |
| <b>Total</b>   | <b>30.29</b>              | <b>31.47</b>                        |
| <sup>(i)</sup> Includes ₹ nil (previous year ₹ 10 lakh) with maturity period of more than 12 months.                               |                           |                                     |
| <sup>(ii)</sup> Includes ₹ 10 lakh (previous year ₹ 10 lakh) held as security with Insurance Regulatory and Development Authority. |                           |                                     |
| <b>11. Short-term loans and advances</b><br><i>(unsecured and considered good)</i>   |                           |                                     |
| Balance with service tax authorities   | 72.13                     | 74.73                               |
| Others <sup>(i)</sup>  | 10.94                     | 6.58                                |
| <b>Total</b>   | <b>83.07</b>              | <b>81.31</b>                        |
| <sup>(i)</sup> Includes advances to vendors and advances to employees.   |                           |                                     |

## Notes on financial statements for the year ended 31st March, 2015

|   | 2014-15         | 2013-14         |
|---|-----------------|-----------------|
| <b>12. Revenue from operations</b>        |                 | ₹ lakh          |
| Sale of services                          | 17 27.71        | 18 67.29        |
| Less: service tax recovered               | 1 90.05         | 2 05.41         |
| <b>Total</b>                              | <b>15 37.66</b> | <b>16 61.88</b> |
| <b>13. Other income</b>                   |                 | ₹ lakh          |
| Interest income                           |                 | 2013-14         |
| From others                               | 0.88            | 1.17            |
| Dividend income                           |                 |                 |
| From current investments                  | 0.13            | 29.55           |
| Net gain on sale of                       |                 |                 |
| Current investments                       | 27.69           | -               |
| <b>Total</b>                              | <b>28.70</b>    | <b>30.72</b>    |
| <b>14. Employee benefits expense</b>      |                 | ₹ lakh          |
| Salaries and wages                        | 1 50.50         | 1 56.28         |
| Contribution to provident and other funds | 13.71           | 10.60           |
| Staff welfare expenses                    | 7.61            | 4.73            |
| <b>Total</b>                              | <b>1 71.82</b>  | <b>1 71.61</b>  |
| <b>15. Other expenses</b>                 | 2014-15         | ₹ lakh          |
| <b>Establishment expenses</b>             |                 | 2013-14         |
| Hire charges contracted services          | 4 47.39         | 5 79.75         |
| Other repairs                             | 0.21            | -               |
| Rent                                      | 4 35.00         | 5 46.15         |
| Insurance                                 | 8.17            | 9.34            |
| Rates and taxes                           | 1.36            | 11.37           |
| Travelling and conveyance expenses        | 11.22           | 10.45           |
| Professional fees                         | 2 20.21         | 2 20.30         |
| General expenses                          | 14.97           | 14.69           |
|   | <b>11 38.53</b> | 13 92.05        |
| <b>Payments to auditor</b>                |                 |                 |
| Audit fees                                | 1.15            | 1.05            |
| Tax audit fees                            | 0.25            | 0.26            |
| Certification and consultation fees       | 0.26            | 0.50            |
|   | <b>1.66</b>     | 1.81            |
| <b>Total</b>                              | <b>40.19</b>    | <b>13 93.86</b> |

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

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

## Notes on financial statements for the year ended 31st March, 2015

18. As per Accounting Standard 15 “Employee Benefits” the disclosures of employee benefits as defined in the Accounting Standard are given below:

**Defined contribution plan** ₹ lakh

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

|   | 2014-15 | 2013-14 |
|---|---------|---------|
| Employer’s contribution to provident fund | 3.73    | 4.31    |
| Employer’s contribution to pension scheme | 2.87    | 2.02    |

**Defined benefit plan**

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

The Company operates post retirement benefit plans as follows:

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

|   | Gratuity<br>(Unfunded) |         | Compensated Absences<br>(Unfunded) |         |
|---|------------------------|---------|------------------------------------|---------|
|   | 2014-15                | 2013-14 | 2014-15                            | 2013-14 |
| Defined benefit obligation at beginning of the year | 9.51                   | 9.27    | 5.90                               | 6.92    |
| Current service cost                                | 1.70                   | 1.67    | 1.36                               | 1.26    |
| Interest cost                                       | 0.76                   | 0.68    | 0.47                               | 0.54    |
| Actuarial (gain)/ loss                              | 1.22                   | ( 0.64) | ( 1.25)                            | ( 2.46) |
| Benefits paid                                       | ( 1.97)                | ( 1.47) | ( 0.29)                            | ( 0.36) |
| Defined benefit obligation at year end              | 11.22                  | 9.51    | 6.19                               | 5.90    |

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

|                                    | Gratuity<br>(Unfunded) |         | Compensated Absences<br>(Unfunded) |         |
|------------------------------------|------------------------|---------|------------------------------------|---------|
|                                    | 2014-15                | 2013-14 | 2014-15                            | 2013-14 |
| Present value of obligation        | 11.22                  | 9.51    | 6.19                               | 5.90    |
| Amount recognised in Balance Sheet | 11.22                  | 9.51    | 6.19                               | 5.90    |

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

|   | Gratuity<br>(Unfunded) |         | Compensated Absences<br>(Unfunded) |         |
|---|------------------------|---------|------------------------------------|---------|
|   | 2014-15                | 2013-14 | 2014-15                            | 2013-14 |
| Current service cost                          | 1.70                   | 1.67    | 1.36                               | 1.26    |
| Interest cost on benefit obligation           | 0.76                   | 0.68    | 0.47                               | 0.54    |
| Actuarial (gain)/ loss recognised in the year | 1.22                   | ( 0.64) | ( 1.25)                            | ( 2.46) |
| Net benefit expense/ (income)                 | 3.68                   | 1.71    | 0.58                               | ( 0.66) |

**IV. Actuarial assumptions**

|  | Gratuity<br>(Unfunded) |          | Compensated Absences<br>(Unfunded) |          |
|--|------------------------|----------|------------------------------------|----------|
|  | 2014-15                | 2013-14  | 2014-15                            | 2013-14  |
| Mortality table                          | 2006-08                | 2006-08  | 2006-08                            | 2006-08  |
|  | Ultimate               | Ultimate | Ultimate                           | Ultimate |
| Discount rate (per annum)                | 8.00%                  | 8.00%    | 8.00%                              | 8.00%    |
| Rate of escalation in salary (per annum) | 6.00%                  | 6.00%    | 6.00%                              | 6.00%    |

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.

## Notes on financial statements for the year ended 31st March, 2015

| V. Amount recognised in current year and previous four year<br>Particular | As at 31st March |         |      |         |         | ₹ lakh |
|---|------------------|---------|------|---------|---------|--------|
|   | 2015             | 2014    | 2013 | 2012    | 2011    |        |
| <b>Gratuity</b>   | <b>11.22</b>     | 9.51    | 9.27 | 8.11    | 6.44    |        |
| Defined benefit obligation  |                  |         |      |         |         |        |
| Fair value of planned assets  | -                | -       | -    | -       | -       |        |
| (surplus)/ Deficit in the plan  | <b>11.22</b>     | 9.51    | 9.27 | 8.11    | 6.44    |        |
| Actuarial (gain)/ loss on plan liabilities                                | <b>1.22</b>      | ( 0.64) | 1.44 | ( 0.92) | ( 3.60) |        |
| Actuarial gain/ (loss) on plan assets                                     | -                | -       | -    | -       | -       |        |

### 19. Earnings per share (EPS)

|   | 2014-15          | 2013-14   |
|---|------------------|-----------|
| (i) Net profit/ (loss) after tax as per Statement of Profit and Loss attributable to equity shareholders (₹ lakh) | <b>1 95.43</b>   | 1 07.39   |
| (ii) Weighted average number of equity shares used as denominator for calculating EPS                             | <b>40,00,000</b> | 40,00,000 |
| (iii) Basic and diluted earnings/ (loss) per share of face value of ₹ 10 each (Amount in ₹)                       | <b>4.89</b>      | 2.68      |

### 20. Broad heads of services rendered Services rendered

|                            | 2014-15         | 2013-14  |
|----------------------------|-----------------|----------|
| Insurance broking services | <b>17 27.71</b> | 18 67.29 |

### 21. Dues to micro and small enterprises

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

|  | 2014-15 | 2013-14 * |
|--|---------|-----------|
| 1. Principal amount due and remaining unpaid                               | -       | -         |
| 2. Interest due on above and the unpaid interest                           | -       | -         |
| 3. Interest paid   | -       | -         |
| 4. Payment made beyond the appointed day during the year                   | -       | -         |
| 5. Interest due and payable for the period of delay                        | -       | -         |
| 6. Interest accrued and remaining unpaid                                   | -       | -         |
| 7. Amount of further interest remaining due and payable in succeeding year | -       | -         |

\* The Company has not received the required information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence, disclosure relating to amounts unpaid as at the year end together with interest paid/ payable if any, as required under the said Act could not be made.

22. The Income Tax assessments of the Company have been completed up to Assessment Year 2011-12. The disputed demand outstanding up to the said Assessment Year is ₹ 8.21 lakhs. Based on the interpretations of relevant provisions, the demand is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

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

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

| Sr. No. | Name of the related party   | Relationship               |
|---------|---|----------------------------|
| 1.      | Reliance Industries Limited   | } Ultimate holding company |
| 2.      | Reliance Industrial Investments And Holdings Limited                        | } Holding company          |
| 3.      | Reliance Retail Limited (formerly Reliance Fresh Limited) (upto 22-09-2013) | }                          |
| 4.      | Reliance Retail Limited (formerly Reliance Fresh Limited) (from 23-09-2013) | }                          |
| 5.      | Reliance Corporate IT Park Limited  | } Fellow subsidiaries      |
| 6.      | Strategic Manpower Solutions Limited  | }                          |

**Notes on financial statements for the year ended 31st March, 2015**

| (ii) Transactions during the year with related parties (excluding reimbursements): |                 |                     | ₹ lakh         |
|--|-----------------|---------------------|----------------|
| Nature of transactions   | Holding company | Fellow subsidiaries | Total          |
| 1. Expenditure   |                 |                     |                |
| - Hire charges-contracted services   | -               | <b>5 02.69</b>      | <b>5 02.69</b> |
|  | <i>67.44</i>    | 5 82.88             | 6 50.32        |
| - Rent   | -               | <b>4 88.77</b>      | <b>4 88.77</b> |
|  | <i>1 63.82</i>  | 4 49.83             | 6 13.65        |
| - Professional fees  | -               | <b>2 47.19</b>      | <b>2 47.19</b> |
|  | -               | 2 47.19             | 2 47.19        |
| <b>Balance as at 31st March, 2015</b>  |                 |                     |                |
| 2. Share capital   | <b>4 00.00</b>  | -                   | <b>4 00.00</b> |
|  | <i>4 00.00</i>  | -                   | 4 00.00        |
| 3. Trade Payable   | -               | <b>73.27</b>        | <b>73.27</b>   |
|  | -               | 36.70               | 36.70          |

Figures in italic represents previous year's amount.

| Disclosure in respect of material related party transactions during the year: |  |                   |                | ₹ lakh  |
|---|--|-------------------|----------------|---------|
| Sr.No.  | Particulars  | Relationship      | 2014-15        | 2013-14 |
| 1.  | <b>Hire charges-contracted services</b>                            |                   |                |         |
|   | Reliance Retail Limited ( <i>formerly Reliance Fresh Limited</i> ) | Holding Company   | -              | 67.44   |
|   | Reliance Retail Limited ( <i>formerly Reliance Fresh Limited</i> ) | Fellow Subsidiary | <b>1 75.42</b> | 71.14   |
|   | Strategic Manpower Solutions Limited                               | Fellow Subsidiary | <b>3 27.27</b> | 5 11.74 |
| 2.  | <b>Rent</b>  |                   |                |         |
|   | Reliance Retail Limited ( <i>formerly Reliance Fresh Limited</i> ) | Holding Company   | -              | 1 63.82 |
|   | Reliance Retail Limited ( <i>formerly Reliance Fresh Limited</i> ) | Fellow Subsidiary | <b>4 88.77</b> | 4 49.83 |
| 3.  | <b>Professional Fees</b>   |                   |                |         |
|   | Reliance Corporate IT Park Limited                                 | Fellow Subsidiary | <b>2 47.19</b> | 2 47.19 |

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 : 13<sup>th</sup> April, 2015

For and on behalf of the Board

**Rajendra Kamath**  
Director  
DIN : 01115052

**Pramod Bhawalkar**  
Director  
DIN : 01114946

**Venkatesh Gulur**  
Director  
DIN : 02813390