

Directors' Report to the Shareholders

Your Directors have pleasure in presenting the 27th Annual Report along with the Audited Accounts of your Company for the year ended 31st March, 2014.

Financial Results

Particulars	(Amount in Rs.)	
	For the year ended 31st March 2014	For the year ended 31st March 2013
Income	1,11,17,53,015	86,29,94,705
Profit before Interest, Depreciation and Taxation	64,11,52,476	51,52,58,767
Depreciation	(35,21,086)	(33,30,774)
Profit before Taxation	63,76,31,390	51,19,27,993
Provision for Taxation:		
Provision for Current Tax	(21,83,88,409)	(16,76,00,000)
Provision for Deferred Tax	7,22,751	1,36,674
	(21,76,65,658)	(16,74,63,326)
Profit after Taxation	41,99,65,732	34,44,64,667
Balance of Profit for prior years	67,39,27,323	48,06,93,594
Amount available for Appropriation	1,09,38,93,055	82,51,58,261
Appropriations:		
Transfer to General Reserve	4,20,00,000	3,50,00,000
Dividend on Equity Shares (Proposed)	2,57,73,200	-
Tax on Dividend (Proposed)	43,80,155	-
Dividend on Equity Shares (Interim)	-	10,00,00,000
Tax on Dividend (Interim)	-	1,62,30,938
Surplus carried to Balance Sheet	1,02,17,39,700	67,39,27,323

Dividend

Your Directors recommend a dividend of Rs.10 per Equity Share on 25,77,320 Equity Shares of Rs.10 each, aggregating to Rs. 2.6 crores. The above dividend, if approved, will be paid to those Members whose names appear in the Register of Members as on the Record Date fixed for this purpose. The dividend including dividend distribution tax, surcharge and education cess will absorb a sum of Rs. 3.0 crores (as against Rs. 11.6 crores on account of dividend of Rs. 40 per Equity Share, paid for the previous year).

Operations

The year ended 31st March, 2014 marked the 10th year of successful insurance broking operations of your Company. In this journey of 10 years, your Company has been able to service over 4 million insurance cases, largely in the rural and semi-urban markets in India. Your Company has been able to reach the benefit of insurance to over 1,00,000 villages across India. Your Company endeavors to further increase insurance penetration in rural India as well as become a significant player in global insurance markets.

In March 2014, your Company crossed the 1 million mark in terms of insurance cases serviced, with a total of 1,068,577 cases for both Life and Non-Life Retail business. The customized Life insurance cover "Mahindra Loan Suraksha" (MLS) continued to receive an encouraging response and grew by 16% from 4,40,553 lives covered with a Sum Assured of Rs. 11,798.2 crores in the financial year 2012-13 to 5,09,864 lives covered with a Sum Assured of Rs.14,393.5 crores in the financial year 2013-14, with a substantial portion being covered in the rural markets.

Your Company achieved a growth of 33% in Net Premium generated for the Corporate and Retail business lines, increasing from Rs. 553.8 crores (Gross Premium Rs.619.8 crores) in the financial year 2012-13 to Rs. 738.4 crores (Gross Premium Rs. 825.2 crores) in the financial year 2013-14.

The Income increased by 29% from Rs. 86.3 crores in the financial year 2012-13 to Rs. 111.2 crores in the financial year 2013-14. The Profit before Tax increased by 25% from Rs. 51.2 crores to Rs. 63.8 crores, and the Profit after Tax

increased by 22% from Rs. 34.5 crores to Rs. 42.0 crores during the same period.

During the year, your Company was awarded the "Insurance Broker of the Year" Award by ABP News in February 2014. This award, amongst other parameters, lays an emphasis on how the particular broker has performed in the underserved markets in India.

Directors

Mr. Rajeev Dubey and Mr. V. Ravi retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-appointment.

Audit Committee

The Audit Committee of the Board of Directors of the Company presently comprises of Mr. Rajeev Dubey (Chairman of the Committee), Mr. Ramesh Iyer and Mr. V. Ravi. The Audit Committee met four times during the year under review.

Remuneration Committee

The Remuneration Committee of the Board of Directors of the Company presently comprises of Mr. Rajeev Dubey, Mr. Uday Y. Phadke and Mr. Ramesh Iyer. The Committee met once during the year under review.

Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee was constituted by the Board of Directors at its meeting held on 5th March, 2014 to formulate, recommend and monitor the CSR Policy and to recommend the amount to be spent on CSR activities.

Mr. Rajeev Dubey is the Chairman of the Committee. Mr. Ramesh Iyer, Mr. V. Ravi and Dr. Jaideep Devare are the other members of the Committee. The Committee met once during the year under review.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm that:-

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) They have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2014 and of the profit of the Company for the year ended on that date;

(iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) The annual accounts have been prepared on a going concern basis.

Auditors

Messrs. B. K. Khare & Co., Chartered Accountants, retire as Auditors of the Company at the forthcoming Annual General Meeting ('AGM') and have given their consent for re-appointment. As per Section 139(1) of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014, it is proposed to appoint the Auditors for a period of 5 (five) years to hold office from the conclusion of this AGM till the conclusion of the thirty second AGM of the Company to be held in the year 2019, subject to ratification of their appointment by members at every AGM and fix their remuneration.

As required under the provisions of Section 224(1B) of the Companies Act, 1956 and sections 139(1) read with 141 of the Companies Act, 2013, the Company has obtained a written certificate from Messrs. B. K. Khare & Co., Chartered Accountants, proposed to be re-appointed to the effect that their re-appointment, if made, would be in conformity with the criteria specified in the said sections.

Public Deposits and Loans / Advances

The Company has not accepted any deposits from the public or its employees during the year under review.

The particulars of loans/advances and investment in its own shares by listed companies, their subsidiaries, associates, etc., as required to be disclosed in the annual accounts of the Company pursuant to Clause 32 of the Listing Agreement of the parent company – Mahindra & Mahindra Financial Services Limited and the ultimate parent company – Mahindra & Mahindra Limited, with the Stock Exchanges, are furnished separately.

Codes of Conduct

The Board of Directors of the Company had adopted separate Codes of Conduct for Corporate Governance ("the Codes") for its Directors and Senior Management and Employees. These Codes enunciate the underlying principles governing the conduct of the Company's business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of the Company's ethos.

The Company has for the year under review, received declarations under the Codes from the Board Members, and the Senior Management and Employees of the Company affirming compliance with the respective Codes.

Outlook for the Current year

During the last financial year, the Non-Life insurance industry is estimated to have grown by 12% and Life insurance industry estimated to register an increase of 12%. The Non-Life insurance industry is expected to continue their growth trend, albeit at a reduced rate due to macro-economic changes in the economy. Your Company will continue to explore opportunities for expanding its customer base in the Commercial and Retail segments.

Your Company will increase its thrust on the Reinsurance Broking business and expand its domestic and international customer base.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to the energy conservation, technology absorption and foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure I to this Report.

Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956 and Rules framed thereunder

As required under Section 217(2A) of the Companies Act, 1956 and Rules thereunder, a statement containing particulars of the Company's employees who were in receipt of remuneration of not less than Rs. 60,00,000 per annum during the year ended 31st March 2014 or not less than Rs. 5,00,000 per month during any part of the said year is given in Annexure II to this Report.

Acknowledgements

Your Directors thank the Insurance Regulatory and Development Authority for their continuous support and guidance rendered to the Company. The Directors acknowledge the trust reposed by the customers, the support of the shareholders and the noteworthy performance of the employees.

For and on behalf of the Board

Rajeev Dubey
Chairman

Mumbai : 14th April, 2014

PARTICULARS OF LOANS/ ADVANCES AND INVESTMENT BY LOANEEES IN THE SHARES OF LISTED COMPANIES, THEIR SUBSIDIARIES, ASSOCIATES, ETC., REQUIRED TO BE DISCLOSED IN THE ANNUAL ACCOUNTS OF THE COMPANY PURSUANT TO CLAUSE 32 OF THE RESPECTIVE LISTING AGREEMENTS OF MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED, THE PARENT COMPANY AND MAHINDRA & MAHINDRA LIMITED, THE ULTIMATE PARENT COMPANY.

Loans and advances in the nature of loans to firms/companies in which Directors are interested are as given below:

Name of the Company	(Amount in Rs.)	
	Balance as on 31st March, 2014	Maximum outstanding during the year
Mahindra & Mahindra Financial Services Limited	70,40,00,000	70,40,00,000
Mahindra Rural Housing Finance Limited	46,25,00,000	46,25,00,000

The Company has no subsidiaries or associates and no loans and advances in the nature of loans have been made by the Company where there is no repayment schedule or repayment beyond seven years or where there is no interest or interest below the limits prescribed under Section 372A of the Companies Act, 1956.

Annexure I to the Directors' Report for the Financial year ended 31st March, 2014

Particulars as per the Companies (Disclosure of Particulars in the Report of Board Of Directors) Rules, 1988 and Forming part of the Directors' Report for the Financial year ended 31st March, 2014

A. Conservation of Energy

- a. Energy Conservation measures taken: Though the activities of the Company are not energy-intensive, necessary measures are taken to contain and bring about savings in power consumption through improved operational methods and better housekeeping.
- b. Additional investments and proposals, if any, being implemented for reduction of consumption of energy: Nil
- c. Impact of the measures taken at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: These measures are expected to reduce energy consumption.
- d. Total energy consumption and energy consumption per unit of production as per Form-A to the Annexure to the Rules in respect of Industries specified in the Schedule: Not Applicable.

B. Technology Absorption

Research & Development (R & D)

1. Areas in which R & D is carried out : None
2. Benefits derived as a result of the above efforts : Not applicable
3. Future plan of action : None
4. Expenditure on R & D : Nil
5. Technology absorption, adaptation and innovation : None
6. Imported Technology for the last 5 years : None

C. Foreign Exchange Earnings and Outgo

The total Foreign Exchange Earnings and Outgo during the year under review are as follows :

Foreign Exchange Earnings	:	Rs. 2,30,34,415/- (F.Y. 2012-13 : 64,47,930)
Foreign Exchange Outflow	:	Rs. 48,50,073/- (F.Y. 2012-13 : Rs. 29,58,426)

For and on behalf of the Board

Rajeev Dubey
Chairman

Mumbai, 14th April, 2014

Annexure II to the Directors' Report for the Financial year ended 31st March, 2014

Additional Information as Required Under Section 217(2A) of the Companies Act, 1956, Read With the Companies (Particulars of Employees) Rules, 1975 And Forming Part of Directors' Report for the year ended 31st March, 2014

Name of Employee	Designation / Nature of Duties	Gross Remuneration (subject to income tax) (Rs.)	Qualifications	Experience (Years)	Age (Years)	Date of Commencement of Employment	Last Employment held (Designation and Organisation)
Dr. Jaideep R. Devare	Managing Director	77,82,919	Ph.D. in Management (Thesis on Insurance Industry in India), Master of Management studies (MMS) (Finance), Bachelor of Engineering (B.E.) Honors, (Production)	23	46	01/01/2009	Head - Business Development (New Initiatives) - Mahindra & Mahindra Financial Services Limited
Kumar R. Pherwani	Principal Officer	70,95,733	Bachelor of Commerce, Associate of Insurance Institute of India, Diploma in Export Management	39	58	01/01/2006	Head - Insurance & Risk Management Dept - Mahindra & Mahindra Limited

Notes:

- Nature of employment is contractual, subject to termination on three months' notice on either side.
- Terms and conditions of employment are as per Company's Rules / contract.
- 'Gross Remuneration' includes salary, taxable value of perquisites and Company's contribution to Provident and Superannuation Funds.
- The Company has made a provision for contribution to the Employees' Gratuity Fund and Leave Encashment based on the actuarial valuation. This amount has not been included in 'Gross Remuneration' as no separate figures are available for individual employee.
- None of the above employees is a relative of any Director of the Company.
- The above employees have adequate experience to discharge the responsibilities assigned to them.
- The above employees do not hold by themselves or along with their spouse and dependent children, 2% or more of the equity shares of the Company.

For and on behalf of the Board

Rajeev Dubey
Chairman

Mumbai, 14th April, 2014

Independent Auditor's Report

To The Members of

MAHINDRA INSURANCE BROKERS LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Mahindra Insurance Brokers Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2014;
- (b) in the case of the Statement of Profit and Loss, of the [profit/loss] for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:
- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and Cash Flow dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, the Statements of Profit and Loss and Cash Flow dealt with by this report, comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **B. K. Khare & Co.**

Chartered Accountants

Firm's Registration Number 105102W

H. P. Mahajani

Partner

Membership No. 030168

Place : Mumbai

Date : 14th April, 2014

Annexure to the Auditor's Report

Referred to in our Report of Even Date:

- | | |
|--|--|
| <p>1 (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets. These assets were physically verified by the Management during the year at reasonable intervals and no discrepancies were noticed on such verification.</p> <p>(b) None of the fixed assets have been revalued during the year.</p> <p>(c) Fixed assets disposed off during the year were not substantial and therefore do not affect going concern status of the Company.</p> <p>2 Clause 4(ii) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.</p> <p>3 Based on the records examined by us and according to the information and explanations given to us, the Company has:</p> <p>(i) Not granted any loans to parties covered in the Register maintained under section 301 of the Companies Act, 1956.</p> <p>(ii) Not taken any loans from parties covered in the Register maintained under section 301 of the Companies Act, 1956.</p> <p>4 In our opinion and according to the information and explanations given to us the Company is having an adequate internal control system commensurate with the size and the nature of its business, for the purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and sale of goods. On the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct any major weaknesses in the aforesaid internal control system.</p> <p>5 According to the information and explanations given to us, there are no contracts or arrangements that need to be entered in the register maintained under section 301 of the Companies Act, 1956.</p> <p>6 In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Consequently, no order has been passed by the Company Law Board or National Company Law Commission or Reserve Bank of India or any court or any other tribunal on the Company.</p> <p>7 In our opinion and according to the information and explanations provided to us, the Company has an internal audit system, which is commensurate with its size and the nature of its business.</p> <p>8 On facts, the requirements of Para 4 (viii) requiring maintenance of cost records are not applicable in case of the Company.</p> <p>9 (a) According to the records of the Company and information and explanations given to us, the Company is regular in depositing undisputed statutory dues including Provident fund, Investor education and protection fund, Employees' state insurance, Income tax, Sales tax, Wealth tax and service tax, cess and other applicable statutory dues with the appropriate authorities.</p> <p>(b) According to the records of the company and information and explanations given to us there are</p> | <p>no disputed dues which have not been deposited with the relevant authority.</p> <p>10 The Company does not have accumulated losses as at the end of the current year. The Company has not incurred cash losses in such financial year and in the immediately preceding financial year.</p> <p>11 Based on the records examined by us and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.</p> <p>12 Based on the records examined by us and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures, or other securities.</p> <p>13 The provisions of any applicable statute to Chit Fund, Nidhi or Mutual Benefit Fund / Society are not applicable to the Company.</p> <p>14 The Company is not dealing or trading in shares, securities, debentures and other investments.</p> <p>15 According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.</p> <p>16 Based on the records examined by us and according to the information and explanations given to us, during the year, term loans were applied for the purpose for which the loans were taken.</p> <p>17 On the basis of overall examination of the financial statements and other financial information furnished, we report that the company has not used short term funds for long term investments.</p> <p>18 The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act;</p> <p>19 On the basis of our examination of books of account and documents and according to the information and explanations given to us, the Company has not issued any debentures.</p> <p>20 The Company has not made any public issue of its shares during the year.</p> <p>21 During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted accounting practices and according to the information and explanations given to us, we have neither come across any instances of fraud on or by the Company noticed or reported during the year, nor have we been informed of any such instances during the year.</p> |
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For **B. K. Khare & Co.**

Chartered Accountants

Firm's Registration Number 105102W

H. P. Mahajani

Partner

Membership No. 030168

Place : Mumbai

Date : 14th April, 2014

Balance Sheet

as at March 31, 2014

(Amount in Rs.)

Particulars	Note	March 2014	March 2013
I. EQUITY & LIABILITIES			
1) Shareholders' funds			
a) Share capital	A	25,773,200	25,773,200
b) Reserves and surplus	B	1,303,533,301	913,720,924
		1,329,306,501	939,494,124
2) Current liabilities			
(a) Trade payables		20,219,903	28,904,175
(b) Other current liabilities	C	11,156,932	10,619,403
(c) Short-term provisions	D	89,952,554	41,964,788
		121,329,389	81,488,366
Total		1,450,635,890	1,020,982,490
II. ASSETS			
1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	E	19,172,928	19,097,533
(b) Non-current investments	F	270,000,000	-
(c) Deferred tax assets (net)		1,170,833	448,082
(d) Long-term loans and advances	G	87,621,967	94,508,955
		377,965,728	114,054,570
2) Current assets			
(a) Trade receivables	H	122,593,022	86,739,682
(b) Cash and cash equivalents	I	66,530,286	142,035,948
(c) Short-term loans and advances	J	834,206,734	651,755,273
(d) Other current assets	K	49,340,120	26,397,017
		1,072,670,162	906,927,920
Total		1,450,635,890	1,020,982,490

See accompanying notes to the financial statements

The notes referred to above form an integral part of the Balance Sheet

For and on behalf of the Board

For **B. K. Khare and Co.**
Chartered Accountants
Firm Regn No. 105102W

Rajeev Dubey
Chairman

Uday Y. Phadke
Director

Ramesh Iyer
Director

H.P. Mahajani
Partner
Membership No. 30168

V. Ravi
Director

Hemant Sikka
Director

Dr. Jaideep Devare
Managing Director

Place: Mumbai
Date: 14 April, 2014

Statement of Profit and Loss

for the year ended March 31, 2014

(Amount in Rs.)

Particulars	Note	March 2014	March 2013
I. Revenue from operations	L	1,013,839,268	800,075,279
II. Other income		97,913,747	62,919,426
III. Total Revenue (I + II)		1,111,753,015	862,994,705
IV. Expenses:			
Employee benefits expense	M	305,200,686	225,310,130
Depreciation and amortization expense	N	3,521,086	3,330,774
Other expenses	O	165,399,853	122,425,808
Total expenses		474,121,625	351,066,712
V. Profit before exceptional and extraordinary items and tax (III - IV)		637,631,390	511,927,993
VI. Exceptional items		-	-
VII. Profit before extraordinary items and tax (V - VI)		637,631,390	511,927,993
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		637,631,390	511,927,993
X. Tax expense:			
(1) Current tax		218,600,000	167,600,000
(2) Deferred tax (Asset)/Liability		(722,751)	(136,674)
3) Income Tax adjustment for earlier year (net)		(211,591)	-
XI. Profit/(Loss) for the period from continuing operations		419,965,732	344,464,667
XII. Profit/(Loss) for the period		419,965,732	344,464,667
XIII. Earnings per equity share:			
(1) Basic		162.95	137.74
(2) Diluted		162.95	137.74

See accompanying notes to the financial statements

The notes referred to above form an integral part of the Profit & Loss Account.

For and on behalf of the Board

For **B. K. Khare and Co.**
Chartered Accountants
Firm Regn No. 105102W

Rajeev Dubey
Chairman

Uday Y. Phadke
Director

Ramesh Iyer
Director

H.P. Mahajani
Partner
Membership No. 30168

V. Ravi
Director

Hemant Sikka
Director

Dr. Jaideep Devare
Managing Director

Place: Mumbai
Date: 14 April, 2014

Cash Flow Statement

for the year ended March 31, 2014

(Amount in Rs.)

Particulars	March 2014	March 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxes and contingencies	637,631,390	511,927,994
Add/(Less):		
Depreciation & Amortisation	3,521,086	3,330,774
Interest Income	(97,913,748)	(62,915,246)
Provision for Doubtful Debts/Advances Written-off (net)	230,000	205,000
(Profit)/Loss on sale/retirement of assets	549,255	1,087,391
Operating profit before working capital changes (I)	544,017,983	453,635,913
Less:		
(Increase)/Decrease in Trade receivables	(36,083,340)	(23,129,165)
Increase)/Decrease in Long Term Loans & Advances	1,886,988	(3,484,864)
(Increase)/Decrease in Short Term Loans & Advances	(5,202,303)	(3,090,316)
(Increase)/Decrease in Current Assets	862,282	(1,618,346)
	(38,536,373)	(31,322,691)
Add: Increase/(Decrease) in Current liabilities	537,529	1,549,849
Add: Increase/(Decrease) in Trade Payable	(8,684,272)	18,435,475
Add: Increase/(Decrease) in Short Term Provision	20,168,620	5,287,606
	(II)	(6,049,761)
Cash generated from operations (I + II)	517,503,487	447,586,152
Income Taxes paid	(222,971,776)	(161,743,527)
Net Cash From Operating Activities (A)	294,531,711	285,842,625
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(4,658,419)	(7,290,996)
Sale of fixed assets	512,684	460,348
Interest received	74,108,362	62,009,393
Fixed Deposit with Companies	(270,000,000)	-
Intercompany Deposits Placed	(170,000,000)	(268,800,000)
Net Cash From Investing Activities (B)	(370,037,373)	(213,621,255)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Additional Equity Share Capital	-	159,723,343
Dividends paid	-	(159,805,938)
NET CASH FROM FINANCING ACTIVITIES (C)	-	(82,595)
NET INCREASE/(DECREASE) IN		
CASH AND CASH EQUIVALENT (A + B + C)	(75,505,662)	72,138,775
CASH AND CASH EQUIVALENTS AS AT:		
Beginning of the period	142,035,948	69,897,173
End of the period	66,530,286	142,035,948

Examined and found correct

For and on behalf of the Board

For **B. K. Khare and Co.**
Chartered Accountants
Firm Regn No. 105102W

Rajeev Dubey
Chairman

Uday Y. Phadke
Director

Ramesh Iyer
Director

H.P. Mahajani
Partner
Membership No. 30168

V. Ravi
Director

Hemant Sikka
Director

Dr. Jaideep Devare
Managing Director

Place: Mumbai
Date: 14 April, 2014

Notes to the Accounts

for the year ended March 31, 2014

(Amount in Rs.)

	March 2014	March 2013
A. Share capital		
Authorised:		
3,500,000 Equity Shares of Rs. 10 each (Previous Year: 3,500,000)	35,000,000	35,000,000
Issued Capital:		
2,577,320 Equity Shares of Rs. 10 each (Previous Year: 25,77,320)	25,773,200	25,773,200
Subscribed & Paid up Capital:		
Equity Shares of Rs. 10 each 2,577,320 (Previous Year: 25,77,320)	25,773,200	25,773,200
Total	25,773,200	25,773,200

Other quantitative Information:

Particulars	March 2014	March 2013
a) Reconciliation of the number of shares		
Number of equity shares outstanding at the beginning of the year	2,577,320	2,500,000
Add: Fresh allotment of shares during the year:		
1) Private placement to QIBs under QIP	0	77,320
2) Issue of Bonus/Rights shares	0	0
3) Shares issued under Employees' Stock Option Scheme	0	0
4) Conversion of any convertible security	0	0
5) Any others (specify)	0	0
	2,577,320	2,577,320
Less: Shares bought back during the year	0	0
Number of equity shares outstanding at the end of the period	2,577,320	2,577,320
b) Number of equity shares held by holding company or ultimate holding Company including shares held by its subsidiaries/ associates:		
Holding company: Mahindra & Mahindra Financial Services Limited (Equity shares of Rs. 10/- Each)	2,190,722	2,190,722
Percentage of holding (%)	85	85
c) Shareholders holding more than 5 percent shares:		
Mahindra & mahindra financial services Limited	2190722	2190722
Percentage of holding (%)	85	85
Inclusion Resources Private Ltd.	386,598	386,598
Percentage of holding (%)	15	15
d) Shares reserved for issue under options and contracts/ commitments for the sale of shares/disinvestment, including the terms and amounts : (specify, if any)	0	0
e) Shares allotted during the period of five years immediately preceding the date as at which the Balance Sheet is prepared :		
Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	0	0
Aggregate number and class of shares allotted as fully paid up by way of bonus shares.	2,000,000	2,000,000
Aggregate number and class of shares bought back.	0	0

Notes to the Accounts

for the year ended March 31, 2014

(Amount in Rs.)

Particulars	March 2014	March 2013
B. Reserves and Surplus		
General Reserve:		
As per last Balance Sheet	80,843,458	45,843,458
Add: Transfer during the period	42,000,000	35,000,000
Closing Balance	122,843,458	80,843,458
Securities Premium Account:		
As per last Balance Sheet	158,950,143	0
Add: Additions during the year	0	160,052,400
Less: Share issue expenses	0	1,102,257
Closing Balance	158,950,143	158,950,143
Surplus in Statement of Profit and Loss:		
Balance Profit (for earlier years) as per last Balance Sheet	673,927,323	480,693,594
Add: Profit for the current year transferred from Statement of Profit & Loss	419,965,732	344,464,667
	1,093,893,055	825,158,261
Less: Allocations & Appropriations:		
Transfer to General Reserve	42,000,000	35,000,000
Proposed Dividend (Final)	25,773,200	0
Corporate Dividend Tax (Final)	4,380,155	0
Interim Dividend Paid	0	100,000,000
Corporate Dividend Tax Paid	0	16,230,938
Balance in Profit & Loss Account	1,021,739,700	673,927,323
Total	1,303,533,301	913,720,924

(Amount in Rs.)

Particulars	March 2014	March 2013
C. Other Current Liabilities		
Other Current Liabilities	11,156,932	10,619,403
Total	11,156,932	10,619,403

(Amount in Rs.)

Particulars	March 2014	March 2013
D. Short Term Provisions		
Provision for Employee Benefits	59,799,199	39,630,579
Proposed Dividend	25,773,200	0
Corporate Dividend Tax	4,380,155	0
Provision for Tax (net of advance tax)	0	2,334,209
Total	89,952,554	41,964,788

Notes to the Accounts

for the year ended March 31, 2014

Description of Assets	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK		
	As at 1-Apr-13	Additions for Purch./Trf	Deductions for Sale/Trf	As at 31-Mar-14	Upto 1-Apr-13	Additions /Trf	Deductions /Trf	Upto 31-Mar-14	As at 1-Apr-13	As at 31-Mar-14	As at 31-Mar-14
Vehicles	10,531,769	4,093,502	1,526,238	13,099,033	1,889,094	1,212,389	640,821	2,460,662	8,642,675	10,638,371	10,638,371
Furniture	1,077,968	38,475	-	1,116,443	359,190	96,103	-	455,293	718,778	661,150	661,150
Office Equipment	2,025,375	257,997	66,000	2,217,372	1,106,820	270,450	15,906	1,361,364	918,555	856,008	856,008
Computers	14,829,386	268,445	1,374,380	13,723,451	6,011,861	1,942,144	1,247,953	6,706,052	8,817,525	7,017,399	7,017,399
Total	28,464,498	4,658,419	2,966,618	30,156,299	9,366,965	3,521,086	1,904,680	10,983,371	19,097,533	19,172,928	19,172,928
As at 31-03-2013	23,349,803	7,290,996	2,176,301	28,464,498	6,664,753	3,330,774	628,562	9,366,965	16,685,050	19,097,533	19,097,533

E. Tangible Assets:

(Amount in Rs.)

Notes to the Accounts

for the year ended March 31, 2014

(Amount in Rs.)

Particulars	March 2014	March 2013
F. Non Current Investments:		
- Fixed Deposits with companies	270,000,000	0
Total	270,000,000	0

(Amount in Rs.)

Particulars	March 2014	March 2013
G. Long Term Loans and Advances:		
Loans and advances (unsecured, considered good):		
Inter Corporate Deposits Given (for more than one year) with related parties	82,500,000	87,500,000
Other Advances recoverable in cash or kind or for value to be received	2,736,615	5,583,711
Gratuity Plan Assets (Net)	1,181,352	221,244
Deposits for Office Premises/Others	1,204,000	1,204,000
Total	87,621,967	94,508,955

(Amount in Rs.)

Particulars	March 2014	March 2013
H. Trade Receivables:		
Sundry Debtors (Unsecured):		
Outstanding for a period exceeding six months		
Considered good	2,590,651	1,027,035
Considered Doubtful	749,653	749,653
Less : Provision for Doubtful Debts (Refer note no. 10 (a))	1,465,000	1,235,000
	1,875,304	541,688
Others	120,717,718	86,197,994
Total	122,593,022	86,739,682

(Amount in Rs.)

Particulars	March 2014	March 2013
I. Cash & Cash equivalents:		
Cash & Bank Balances:		
- Cash and Cheques on hand	138,319	127,316
- Balance with Scheduled Banks in Current Account	15,391,967	16,908,632
- Term Deposit with Scheduled Banks (less than 12 months maturity)	45,000,000	119,000,000
- Term Deposit with Scheduled Banks [Under lien to IRDA for broking license] (includes Rs. 1,000,000 with more than 12 months maturity)	6,000,000	6,000,000
Total	66,530,286	142,035,948

Notes to the Accounts

for the year ended March 31, 2014

Particulars	(Amount in Rs.)	
	March 2014	March 2013
J. Short Term Loans and Advances:		
Loans and advances (unsecured, considered good):		
Inter Corporate Deposits Given (for less than one year) with related parties	814,000,000	639,000,000
Advance Payment of Tax (net of provision)	2,249,159	0
Deposits - Others	200,000	200,000
Other Advances recoverable in cash or kind or for value to be received	17,757,575	12,555,273
Total (B)	834,206,734	651,755,273

Particulars	(Amount in Rs.)	
	March 2014	March 2013
K. Other Current Assets:		
Interest Accrued but not due – Bank FD/ ICD/Investment	4,76,37,526	2,38,32,140
Other Current Assets	17,02,594	25,64,877
Total	4,93,40,120	2,63,97,017

Particulars	(Amount in Rs.)	
	March 2014	March 2013
L. Revenue From Operations:		
Brokerage	425,571,100	327,870,601
Broker Retainer Fees	463,943,444	398,856,236
Handling Charges	111,040,800	72,938,200
Consultancy Fees	13,283,924	410,242
Total	1,013,839,268	800,075,279

Particulars	(Amount in Rs.)	
	March 2014	March 2013
M. Employee Benefits Expense:		
Salary, Bonus & Incentives	279,799,902	202,444,878
Company's Contribution to P.F. & Other Funds	13,446,809	11,348,506
Employee Compensation Expenses on account of ESOPs	3,923,687	5,162,881
Staff Welfare	8,030,288	6,353,865
Total	305,200,686	225,310,130

Particulars	(Amount in Rs.)	
	March 2014	March 2013
N. Depreciation:		
Depreciation on tangible assets	3,521,086	3,330,774
Total	3,521,086	3,330,774

Notes to the Accounts

for the year ended March 31, 2014

(Amount in Rs.)

Particulars	March 2014	March 2013
0. Other Expenses:		
Electricity charges	4,647,841	3,659,770
Rent	19,251,073	18,344,539
Administration Support Charges	9,134,925	7,168,255
Insurance	13,082,373	7,691,956
Rates and Taxes	723,957	864,196
Legal & Professional Charges	2,140,445	2,387,770
Loss on Sale/Retirement of Owned Assets	549,255	1,087,391
Travelling Expenses	39,560,228	25,396,908
Hotel Stay Expenses	11,106,496	5,409,119
Provision for Doubtful Debts - (Refer note no 10 (a))	230,000	205,000
Manpower Outsourcing Charges	18,144,063	16,179,957
Auditors Remuneration		
- Audit Fees	900,000	300,000
- Other Services	46,000	43,670
Donations	3,931,000	3,418,001
General & Administrative Expenses	41,952,197	30,269,276
Total	165,399,853	122,425,808

P. Significant Accounting Policies (SAP)

1) Basis for Preparation of Accounts:

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles (IGAAP) under the historical cost convention as a going concern and on accrual basis and in accordance with the provisions of the Companies Act, 1956 and the Accounting Standards notified under the said Act.

All assets & liabilities have been classified as current & non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI of the Companies Act, 1956. Based on the nature of services and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current & non-current classification of assets & liabilities.

2) Use of Estimates:

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) as on the date of financial statements and the reported income and expenses during the reporting year. Management believes that the estimates used in the preparation of the financial

statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future years.

3) Revenue Recognition: General:

The Company generally follows the accrual method of accounting for its income and expenditure.

a) Brokerage Income:

Brokerage income is recognized on receiving details of the policy issued by the insurance company or brokerage whichever is earlier. Brokerage Income, Handling Charges & Broker Retainer Fees is accounted for net of Service Tax on rendition of services.

b) Insurance Consultancy Fees:

Revenue from Insurance Consultancy is recognised net of Service Tax in accordance with the terms of the contract.

4) Investments:

Investments held as long-term investments are stated at cost comprising of acquisition and incidental expenses less permanent diminution in value, if any. Investments other than long-term investments are classified as current investments and valued at cost or fair value whichever is less.

Notes to the Accounts

for the year ended March 31, 2014

Provision for diminution in value of investments is made if management perceives that there is permanent diminution in value of investments in accordance with the Accounting Standard on 'Accounting for Investments' (AS 13) notified by Companies (Accounting Standards) Rules, 2006.

5) Share Issue Expenses:

Expenses incurred in connection with fresh issue of share capital are adjusted against Securities Premium Account in the year in which they are incurred.

6) Fixed Assets:

Fixed Assets are stated at cost of acquisition (including incidental expenses), less depreciation.

7) Depreciation:

Depreciation on fixed assets is charged using the Straight Line method at rates specified in Schedule XIV to the Companies Act, 1956, except for Office Equipment on which depreciation is charged at the rate of 16.21% instead of 4.75% as prescribed in Schedule XIV. Individual assets cost less than Rs. 5000/- are written off in the year of purchase.

8) Employee Benefits:

Retirement Benefits in respect of gratuity at retirement/cessation are provided for based on valuations, as the Balance Sheet date, made by independent actuaries.

a. Defined Contribution Plans –

Company's contribution paid/payable during the year to Provident Fund, Superannuation and Labour Welfare Fund are recognised in Profit & Loss Account.

b. Defined Benefit Plan –

Company's liabilities towards gratuity & leave encashment is determined using the Projected Unit Credit Method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gains and losses are recognized immediately in the statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date

on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

9) Segment Reporting:

The company has single reportable segment namely insurance auxiliary services for the purpose of Accounting Standard 17 on Segment Reporting.

10) Taxes on Income:

Current tax is determined as the amount of tax payable in respect of taxable income for the year. Deferred tax is recognised, subject to consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future tax income will be available against which such deferred tax assets can be realised.

11) Provisions and Contingent Liabilities:

- a) Provision for doubtful debts is made on the basis of standard norms and also, where required, on actual evaluation.
- b) Provisions are recognised in accounts in respect of present probable obligations, the amount of which can be reliably estimated. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed only by the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the company.

Notes to the Accounts

for the year ended March 31, 2014

- 1) The Composite Broking License of the company, has been renewed by IRDA w.e.f. 17/05/2013 for next 3 years.
- 2) In the opinion of the Board, Current Assets, Loans & Advances are of the value stated if realised in the ordinary course of business.
- 3) The company earns brokerage from several insurance companies. The accounts of these insurance companies remain under reconciliation and are subject to confirmation. The company does not expect any significant variation in the book balances.
- 4) Related Party Disclosure as per Accounting Standard 18:
List of the related parties:
Holding Companies:
Mahindra & Mahindra Financial Services Limited
Mahindra & Mahindra Limited*
- Fellow subsidiary Companies:**
Mahindra Rural Housing Finance Limited
Mahindra Business & Consulting Services Private Limited
- Key Management Personnel**
Managing Director : Dr. Jaideep Devare

Related Parties Transactions are as under:

(Amount in Rs.)

Sr. No.	Nature of Transactions	Holding Companies *	Fellow subsidiary Companies	Key Management Personnel
1	Income			
	Interest (Gross)	5,33,56,433	3,81,64,844	-
		(2,25,76,151)	(2,79,74,552)	-
	Handling Charges (Gross of Service Tax)	12,47,65,442	Nil	-
		(8,19,53,361)	(Nil)	-
2	Expense			
	Other Expenses (Gross of Service Tax)	1,49,38,926	1,76,47,398	78,03,407
		(1,41,57,471)	(1,81,89,297)	(63,88,204)
3	Finance			
	Inter Corporate Deposits/FDs given	70,40,00,000	46,25,00,000	-
		(51,40,00,000)	(21,25,00,000)	-
	Dividends Paid (for previous year)	Nil	Nil	-
		(3,75,00,000)	-	-
	Dividends Paid (for current year)	Nil	Nil	-
		(10,00,00,000)	-	-
4	Outstandings			
	Receivables	6,46,60,836	2,45,62,508	-
		(3,94,73,327)	(94,19,084)	-
	Payables	56,27,218	4,26,805	-
		(76,65,272)	(31,69,390)	-

Amounts in brackets represent amounts pertaining to previous financial year

* Mahindra Insurance Brokers Limited is a 85% subsidiary of Mahindra & Mahindra Financial Services Limited, which in turn is a subsidiary of Mahindra & Mahindra Limited.

Note: The above amount excludes payments towards reimbursement of expenses.

Notes to the Accounts

for the year ended March 31, 2014

- 5) Earnings in Foreign Currency – Rs. 2,30,34,415/- (Previous Year Rs. 64,47,930/-).
- 6) Expenditure incurred in Foreign Currency – Rs. 48,50,073/- (Previous Year Rs. 29,58,426/-).
- 7) The company has incurred a cost of Rs. 39,23,687/- (previous year Rs. 51,62,881/-) for Employee Stock Options (ESOS) of the holding company, Mahindra & Mahindra Financial Services Limited (MMFSL), to employees of the company.
- 8) In accordance with the provisions of Accounting Standard – 15 (revised) issued by the Institute of Chartered Accountants of India; cost of employee benefits in the form of compensated absences for the period ended 31st March 2014 is Rs. 46,44,569/- (Previous Year Rs. 27,01,805/-) and has been recognised in the Profit & Loss Account as such. The Present Value of obligation on account of such compensated absences is Rs. 79,75,107/- (Previous Year Rs. 53,74,836/-) as on 31st March 2014.
- 9) Defined Employee Benefits:

	(Amount in Rs.)			
	Gratuity Funded		Leave Non-Funded	
	March 2014	March 2013	March 2014	March 2013
I. Change in Obligation during the year ended 31st March 2014				
1. Present value of obligation as the beginning of the year	6,580,303	4,641,070	5,374,836	4,166,530
2. Interest Cost	630,000	432,936	560,949	325,050
3. Current Service Cost	6,066,815	4,685,508	8,845,223	1,534,747
4. Actuarial (Gain)/Loss on Obligations	(4,529,873)	(2,785,507)	(6,805,901)	(651,491)
5. Benefits Paid	(327,931)	(393,704)	-	-
6. Present value of Defined Benefit Obligation at the end of the year.	8,419,314	6,580,303	7,975,107	5,374,836
II. Change in Assets during the year ended 31st March 2014				
1. Plan Assets at the beginning of the year	6,801,547	4,804,595	-	-
2. Expected return on plan assets	544,887	403,280	-	-
3. Contributions by Employer	2,799,119	1,996,952	-	-
4. Actual benefits paid	(327,931)	(393,704)	-	-
5. Actual Gain/(Losses)	(216,956)	(9,576)	-	-
6. Plan Assets at the end of the year	9,600,666	6,801,547	-	-
III. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March 2014				
1. Present Value of Defined Obligation as at 31st March 2014	8,419,314	6,580,303	7,975,107	5,374,836
2. Fair Value of plan assets as at 31st March 2014	9,600,666	6,801,547	-	-
3. Fund status (Surplus/(Deficit))	1,181,352	221,244	(7,975,107)	(5,374,836)
4. Net Assets/ (Liability) as at 31st March 2014	1,181,352	221,244	(7,975,107)	(5,374,836)

Notes to the Accounts

for the year ended March 31, 2014

(Amount in Rs.)

	Gratuity Funded		Leave Non-Funded	
	March 2014	March 2013	March 2014	March 2013
IV. Expenses recognised in the statement of Profit and Loss for the year ended 31st March 2014				
1. Current Service cost	6,066,815	4,685,508	8,845,223	1,534,747
2. Interest Cost	630,000	432,936	560,949	325,050
3. Expected return on Plan Assets	(544,887)	(403,280)	-	-
4. Net Actuarial (Gains)/Losses (Net of Opening Actuarial Gain/(Loss) adjustment)	(4,312,917)	(2,775,931)	(6,805,901)	(1,510,540)
5. Expenses recognised in statement of Profit & Loss	1,839,011	1,939,233	2,600,271	349,257
V. The Major Categories in Plan Assets as a percentage of total plan				
1. Insurer Managed Funds	100%	100%		
VI. Method of Valuation:	Projected Unit Credit Method	Projected Unit Credit Method	Projected Unit Credit Method	Projected Unit Credit Method
VII. Actuarial Assumption				
1. Discount Rate	8%	8%	8%	8%
2. Expected rate of return on plan assets	9%	8%		
3. Mortality Table	LIC (2006-08) Ultimate	LIC (1994-96) Ultimate	LIC (2006-08) Ultimate	LIC (2006-08) Ultimate
4. Salary Increment Rate	5%	5%	5%	5%
5. Retirement Age	60 Years	60 Years	60 Years	60 Years
6. Withdrawal	Attrition rate of 1% up to the age of 30 Years	Attrition rate of 1% up to the age of 30 Years	Attrition rate of 1% up to the age of 30 Years	Attrition rate of 1% up to the age of 30 Years

(Amount in Rs.)

	Year ended				
	March 2010	March 2011	March 2012	March 2013	March 2014
VIII. Experience Adjustments:					
Defined Benefit obligation at end of the period	2,308,369	3,389,211	4,641,070	6,580,303	8,419,314
Plan assets at the end of period	3,004,595	3,804,595	4,804,595	6,801,547	9,600,666
Funded Status Surplus/(Deficit)	(696,226)	(415,384)	(163,525)	(221,244)	(1,181,352)
Experience adjustments on plan liabilities (gain)/loss	(444,432)	(625,820)	(695,979)	(598,464)	(1,850,137)
Experience adjustments on plan assets gain/(loss)	(46,895)	(63,952)	(83,037)	(105,820)	(133,924)

Notes to the Accounts

for the year ended March 31, 2014

10) Earnings per share:

	(Amount in Rs.)	
	March 2014	March 2013
Amount used as numerator – Balance of Profit after Tax available for shareholders (Rs.)	41,99,65,732	34,44,64,667
Weighted average number of equity shares used in computing basic earnings per share	2,577,320	25,00,847
Weighted average number of equity shares used in computing diluted earnings per share	2,577,320	25,00,847
Basic earnings per share (Rs.) (Face value of Rs. 10 per share)	162.95	137.74
Diluted earnings per share (Rs.)	162.95	137.74

11) In accordance with Accounting Standard 22 on Accounting for Taxes on Income the company has accounted for Deferred Tax Asset of Rs. 11,70,833/- (Previous Year Rs. 4,48,082/-) as at 31st March 2014. The breakup of the Deferred Tax Asset as at 31st March 2014 is as under:

Particulars	(Amount in Rs.)	
	Deferred Tax Asset/(Liability) March 2014	Deferred Tax Asset/(Liability) March 2013
Provision for Doubtful Debts	4,97,954	4,19,777
Depreciation	(17,04,298)	(18,25,371)
Gratuity	(4,01,542)	(75,201)
Leave Encashment	27,10,739	18,26,907
Bonus and Incentive	67,980	1,01,970
Total	11,70,833	4,48,082

12) There are no dues payable to Small Scale industrial undertakings in view of the nature of the business of the Company.

13) Suppliers covered under the Micro, Small and Medium Enterprises Development Act, 2006, has not furnished the information regarding filing of necessary memorandum with appointed authority. In view of this and legal opinion obtained by the Company, information required under Section 22 of the said Act is not given.

Signatures to Notes to Accounts

For **B. K. Khare and Co.**
Chartered Accountants
Firm Regn No. 105102W

H.P. Mahajani
Partner
Membership No. 30168

For and on behalf of the Board

Rajeev Dubey
Chairman

Uday Y. Phadke
Director

Ramesh Iyer
Director

V. Ravi
Director

Hemant Sikka
Director

Dr. Jaideep Devare
Managing Director

Place: Mumbai
Date: 14 April, 2014