mahindra INSURANCE BROKERS

Annual Report of Mahindra Insurance Brokers Limited

2023-24

MAHINDRA INSURANCE BROKERS LIMITED

Board's Report to the Shareholders

Your Directors have pleasure in presenting the 37th Annual Report along with the Audited Accounts of your Company for the year ended March 31, 2024.

1. Financial Results

(Amount in INR Crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Income	**1094.95**	426.51
Profit before Interest, Depreciation and Taxation	**177.75**	56.31
Depreciation	**10.25**	10.26
Profit before Taxation	**167.50**	46.05
Provision for Taxation:		
Provision for Current Tax	**47.26**	12.92
Provision for Deferred Tax	**(3.28)**	(1.31)
Excess provisions of earlier years written back	**0**	0
Provision for Taxation	**43.98**	11.61
Profit after Taxation	**123.52**	34.44
Other Comprehensive Income	**(0.55)**	(0.13)
Total Comprehensive Income for the period	**122.97**	34.31
Balance of Retained Earnings for prior years	**494.15**	464.86
Amount available for appropriation	**123.52**	34.44
Appropriations:		
Issue of Bonus Shares	**0**	0
Dividend on Equity Shares (paid)	**3.61**	5.15
Tax on Dividend (paid)	**0**	0
Surplus Retained Earnings carried to Balance Sheet	**614.06**	494.15

2. Dividend

Your Directors, recommend a dividend of INR 15 per Equity Share on 1,03,09,280 Equity Shares of INR 10 each aggregating to INR 15.46 crores (previous year INR 3.61 crores) The above dividend, if approved, will be paid to those Members whose names appear on the Register of Members as on the Record Date fixed for this purpose. No unpaid Dividend is due for transfer to Investor Education and Protection Fund (IEPF) in respect of the last seven years and no amount was required to be transferred on this account to IEPF during the year consideration.

3. Reserves

No amount is proposed to be transferred to General Reserve and an amount of INR 614.06 crores is proposed to be retained in the statement of Profit and Loss.

4. Operational Performance

The insurance industry in India experienced robust growth during the financial year 2023-24. The insurance sector saw a significant increase in gross premiums, reaching INR 10 trillion, a 15% rise from the previous year. Life insurance premiums surged by ~12%, while non-life insurance premiums grew by ~18%, reflecting heightened demand for health and auto insurance products. This growth was driven by increased digital adoption, regulatory support, and greater awareness of insurance products among the Indian population. The penetration rate also improved, with insurance coverage expanding to more rural and semi-urban areas.

The year ended March 31, 2024 marked the 19th year of successful insurance broking operations of your Company. The focus on improving operational efficiencies & productivity gains have resulted in growth of 13% in gross premium facilitated for the Corporate and Retail business lines, increasing from INR 4,036.80 crores in the Financial Year 2022-23 to INR 4,555.86 crores in the Financial Year 2023-24. The Total Income increased by 157% from INR 426.51 crores in the Financial Year 2022-23 to INR 1094.95 crores in the Financial Year 2023-24. The Profit Before Tax increased by 264% from INR 46.05 crores to INR 167.50 crores, and the Profit After Tax increased by 259% from INR 34.44 crores to INR 123.52 crores during the same period. The Net worth increased by 22% from INR 533.21 crores in the Financial Year 2022-23 to INR 652.57 crores in the Financial Year 2023-24.

During the year under review, your Company facilitated a gross premium of INR 3,290.91 crores (Y-o-Y growth of 23%) for auto insurance. The year also saw the introduction of the IRDAI (Expenses of Management of Insurers transacting life insurance business) Regulations, 2023 and the IRDAI (Expenses of Management of Insurers transacting General or Health Insurance business) Regulations, 2023 with effect from April 1, 2023. Consequent to introduction of these regulations, the revenues and expenses have seen a significant increase in the auto insurance business.

The Company facilitated gross premium of INR 510.86 crores (Y-o-Y growth of 49%) for life (group and retail). As regards health insurance, the Company facilitated placement of gross premium of INR 578.71 crores during the year. The Company also grew its base of Point of Sales Persons (POSP) from 11,664 in Financial Year 2022-23 to 15,324 in Financial Year 2023-24.

Business from corporate and SME clients outside the Mahindra group ecosystem, and also the reinsurance broking business have seen good growth.

In addition to building on its strengths in the auto product line, and in line with its long-term strategy on a ‘phygital’ approach for achieving sustainable growth, your Company forayed into opening of its digital small format offices in Tier II & III cities under the brand umbrella “PayBima Stores”. These stores would concentrate on distribution of retail insurance products including health, life, SME and auto insurance. The Company has 19 PayBima Stores as at the end of the year.

During the year, through its insurer partners, the Company helped settle 2,04,652 claims aggregating to INR 1063 crores across both retail and corporate lines of business. The Company continues to adopt recent technologies in auto claim servicing which facilitate instant claim authorization, digital risk assessment tools for corporate clients, etc.

During the year, your Company continued its focus on productivity improvements through digitisation initiatives and tech enhancements viz. digitizing customer journeys, Point of Sales Person (POSP) enrolment, building AI enabled recommendation engines, robotic process automation for routine processes, and the like. Your Company intends to continue to invest in building distribution strengths across all Insurance products driving growth through digitally enabled processes and tools.

5. Share Capital

During the year under review, your Company has neither issued shares with differential voting rights as to dividend, voting or otherwise, nor has issued any sweat equity. Your Company has not formulated any Employees Stock Option Scheme during the year under review. There were no shares having voting rights not exercised directly by the employees and for the purchase of which or subscription to which, loan was given by the Company.

The Authorised Share Capital of your Company was INR 15.00 crores on March 31, 2024. The issued, subscribed and paid-up Equity Share Capital as on March 31, 2024 was INR 10.31 crores, comprising of 1,03,09,280 Equity Shares of the face value of INR 10 each fully paid-up.

As on March 31, 2024, none of the Directors of the Company hold instruments convertible into Equity Shares of the Company.

6. Directors

The composition of the Board of Directors of your Company is in conformity with the provisions of the Companies Act, 2013 ("the Act"), as amended from time to time. As on March 31, 2024, the Company has 7 (seven) directors of which 1 (one) is Executive Director, 4 (four) are Non-Executive Non-Independent Directors and 2 (two) are Independent Directors. The profiles of the Directors can be viewed at https://www.mahindrainsurance.com/who-we-are/board-of-directors

The Board reviews and approves strategy and oversees the actions and results of the management to ensure that the long-term objective of enhancing stakeholders' value is met. The Board periodically reviews compliance of all laws applicable to the Company. None of the Directors hold directorships in more than 10 public companies. None of the directors are related to each other.

In terms of provisions of Section 152 of the Act, Mr. Hemant Sikka (DIN: 06840707) Non-Executive and Non-Independent Director, is liable to retire by rotation and, being eligible, has offered himself for re-appointment at the ensuing Annual General Meeting.

Mr. Rajnish Agarwal (DIN: 03335692) the Non-Executive and Non-Independent Director of the Company retired by rotation at the 36th Annual General Meeting of the Company held on July 17, 2023, and chose not to be re-appointed. The Board of Directors places on record its sincere appreciation for valuable contribution of Mr. Rajnish Agarwal during his tenure as a Director of the Company.

7. Key Managerial Personnel

As at the date of this Report, the Key Managerial Personnel of the Company, as envisaged under the provisions of Section 203 of the Act are - Mr. Vedanarayanan Seshadri – Managing Director and Principal Officer, Mr. Saurabh V. Dharadhar – Chief Financial Officer and Ethics Officer and Mr. Niranjan Karde – Company Secretary.

8. Board Meeting and General Meetings

The Board of Directors met 5 (five) times in Financial Year 2023-24 viz. April 24, 2023; July 17, 2023; October 18, 2023; January 17, 2024 and March 20, 2024. The maximum interval between any 2 (two) meetings did not exceed 120 days, as prescribed in the Act. These Meetings were well attended. The requisite quorum was present during all the meetings.

Two Extra-Ordinary General Meetings of Members were held during the year on October 18, 2023 and January 17, 2024.

The names and categories of the Directors of the Company, their attendance at the Board Meetings held during the Financial Year 2023-24 and at the last Annual General Meeting of the Company held on July 17, 2023 are as follows.

Names of Directors	Category	Attendance at the Board meetings held during the Financial Year 2023-24		Attendance at the Last Annual General Meeting held on July 17, 2023 (Yes/ No/ N.A.)
		Held	Attended	
Mr. Rajeev Dubey (Chairman)	Non-Executive, Non-Independent	5	5	Yes
Mr. Ramesh Iyer	Non-Executive, Non-Independent	5	4	Yes
Mr. Jyotin Mehta	Non-Executive, Independent	5	5	Yes
Ms. Anjali Raina	Non-Executive, Independent	5	5	Yes
Mr. Hemant Sikka	Non-Executive, Non-Independent	5	3	Yes
Mr. Rajnish Agarwal*	Non-Executive, Non-Independent	2	2	Yes
Mr. Vivek Karve	Non-Executive, Non-Independent	5	5	Yes
Mr. Vedanarayanan Seshadri	Managing Director and Principal Officer	5	5	Yes

* Mr. Rajnish Agrawal ceased to be the Non-Executive Non-Independent Director with effect from July 17, 2023.

9. Meeting of Independent Directors

As stipulated by the Code of Independent Directors under the Act, one (1) meeting of the Independent Directors was held on March 20, 2024, during the year 2023-24. This meeting was conducted in an informal manner to enable the Independent Directors to discuss matters relating to Company's affairs and put forth their views without the presence of the Managing Director, Chief Financial Officer, other Non-Independent Directors and members of the Management.

At this meeting, the Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, reviewed the performance of the Chairman of the Company, taking into account the views of Non-Executive Directors, assessed the quality, quantity and timeliness of the flow of information between the Management and the Board and its Committees that is necessary for the Board to perform and discharge its duties effectively and reasonably. All the Independent Directors were present at this meeting.

10. Annual Return

Pursuant to Section 134(3)(a) and Section 92(3) of the Act, the Annual Return as on March 31, 2024 in Form No. MGT-7, is available on the Company's website and can be accessed at the web link https://www.mahindrainsurance.com/who-we-are/financial-reports

11. Committees of the Board

The Committees constituted by the Board focus on specific areas and take informed decisions within the framework of delegated authority and make specific recommendations to the Board on matters within their purview. Decisions and recommendations of the Committees are placed before the Board for information or for approval, as required.

Your Company has the following three Board level Committees – Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

The composition and functioning of these Committees are in compliance with the applicable provisions of the Act. During the year under review, all recommendations received from the Committees were accepted by the Board.

i) Audit Committee

As on March 31, 2024, the Audit Committee comprised of 2 (two) Independent Directors and 1 (one) Non-Executive Non-Independent Director. Presently, the Audit Committee comprises of Mr. Jyotin Mehta (Chairman) and Ms. Anjali Raina, both Independent Directors and Mr. Ramesh Iyer, Non-Executive Non-Independent Director.

The Committee met 5 (five) times during the year i.e. on April 21, 2023; July 17, 2023; October 18, 2023; November 28, 2023, and January 17, 2024. The gap between 2 (two) meetings did not exceed one hundred and twenty days.

All the Members of the Audit Committee possess strong accounting and financial management knowledge. The Committee's composition meets the requirements of Section 177 of the Act.

The terms of reference of the Audit Committee in line with the regulatory requirements mandated by the Act. Besides having access to all the required information from within the Company, the Audit Committee can obtain external professional advice whenever required.

The Audit Committee is authorised to, *inter-alia*, review and monitor the Statutory Auditor's as well as the Internal Auditor's independence and performance, effectiveness of the audit process, oversight of the Company's financial reporting process and the disclosure of its financial information, reviewing with the Management; the quarterly and annual financial statements and the Auditors' Report thereon before submission to the Board for approval, select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions and other related matters, approve transactions of the Company with related parties including subsequent modifications thereof, grant omnibus approvals for related party transactions subject to fulfilment of certain conditions, scrutinise intercorporate loans and investments, valuation of undertakings or assets of the Company wherever it is necessary, evaluate internal financial controls and risk management systems. The Audit Committee is also empowered to, *inter-alia,* reviews the remuneration payable to the Statutory Auditors and Internal Auditors, recommend to the Board the term of appointment and remuneration of the Statutory Auditors and Internal Auditors and recommend a change in the Auditors, if felt necessary. Further, the Audit Committee is empowered to recommend to the Board, the appointment of Chief Financial Officer.

The Audit Committee is also authorised to oversee and review the functioning of the Vigil Mechanism of the Company.

Attendance of the members of the Audit Committee at its meetings held during the Financial Year 2023-24 is given below.

Names of Members	**Category**	**Attendance at the meetings held during the Financial Year 2023-24**	
		Held	**Attended**
Mr. Jyotin Mehta (Chairman)	Non-Executive, Independent	5	5
Ms. Anjali Raina	Non-Executive, Independent	5	5
Mr. Ramesh Iyer	Non-Executive, Non-Independent	5	4

The Board has accepted all the recommendations made by the Audit Committee during the year under review. The Managing Director and Principal Officer, Chief Financial Officer, and Chief Internal Auditor are regularly invited to attend the Audit Committee meetings. The Company Secretary acts as the Secretary to the Audit Committee.

Mr. Jyotin Mehta, Chairman of the Audit Committee, was present at the previous 36th Annual General Meeting of the Company held on July 17, 2023.

ii) Nomination and Remuneration Committee

As on March 31, 2024, the Nomination and Remuneration Committee (“NRC”) comprised of 2 (two) Independent Directors and 2 (two) Non-Executive Non-Independent Directors.

Presently, the NRC comprises of Mr. Jyotin Mehta and Ms. Anjali Raina, both Independent Directors and Mr. Rajeev Dubey and Mr. Ramesh Iyer, Non-Executive and Non-Independent Directors of the Company.

The NRC met 2 (two) times during the year i.e. on April 21, 2023; and July 17, 2023.

The NRC, *inter-alia,* identifies persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria to be laid down and recommends the appointment and removal of directors and carries out performance evaluation of every director in accordance with the framework adopted by the Board. The NRC also decides the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. The NRC is also empowered to review the remuneration package for the working director(s) and revise their remuneration suitably within the limits prescribed under the Act with power to consider fixing/re-fixing salaries, perquisites and other terms of remuneration of the working Director(s) of the Company, subject to approval of shareholders.

Attendance of the members of NRC at its meetings held during the Financial Year 2023-24 is given below.

Names of Members	Category	Attendance at the meetings held during the Financial Year 2023-24	
		Held	Attended
Mr. Rajeev Dubey	Non-Executive, Non-Independent	2	2
Mr. Ramesh Iyer	Non-Executive, Non-Independent	2	2
Mr. Jyotin Mehta	Non-Executive, Independent	2	2
Ms. Anjali Raina	Non-Executive, Independent	2	2

iii) Corporate Social Responsibility Committee

As on March 31, 2024, the Corporate Social Responsibility ("CSR") Committee comprised of 1 (one) Independent Director and 2 (two) Non-Executive Non-Independent Directors. Presently, the CSR Committee comprises of Mr. Rajeev Dubey, Mr. Ramesh Iyer and Ms. Anjali Raina.

The CSR Committee met twice during the year i.e. on April 21, 2023, and October 18th 2023.

The CSR Committee is constituted pursuant to the provisions of Section 135 of the Act. The CSR Committee formulates and recommends to the Board, CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act. The Committee also recommends the amount of expenditure to be incurred on the activities mentioned in the CSR Policy and monitors the implementation periodically.

Attendance of the members of the CSR Committee at its meetings held during the Financial Year 2023-24 is given below.

Names of Members	Category	Attendance at the meetings held during the Financial Year 2023-24	
		Held	Attended
Mr. Rajeev Dubey (Chairman)	Non-Executive, Non-Independent	2	2
Mr. Ramesh Iyer	Non-Executive, Non-Independent	2	1
Ms. Anjali Raina	Non-Executive, Independent	2	2

Your Company is in compliance with the statutory requirements in this regard. The Annual Report on the CSR activities undertaken by your Company in the Financial Year 2023-24 is appended as **Annexure I** to this Report.

12. Compliance with Secretarial Standards

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and such systems are adequate and operating effectively.

The applicable Secretarial Standards, i.e., SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly complied by your Company.

13. Performance Evaluation of the Board

The evaluation framework for assessing the performance of Directors comprises of various key areas such as attendance at Board and Committee meetings, quality of contribution to Board discussions and decisions, ability to challenge views in a constructive manner, knowledge acquired with regard to the Company's business / activities, understanding of industry and global trends, etc.

The evaluation involves self-evaluation by the Directors and subsequent assessment by the NRC and the Board of Directors. A member of the Board will not participate in the discussion of his / her evaluation. Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance and that of its Committees as well as performance of the Directors individually (including Independent Directors). Feedback was sought by way of well-defined and structured questionnaires covering various aspects of the Board's functioning such as size of the Board, adequacy of time to discharge duties, Board processes, help in enabling the Board to discharge its role well, whether Board Members are well informed about the Business and understanding of the Business, performance of the Board as per the best Corporate Governance practices, alignment of the Board and management in understanding the role of the Board, etc. The evaluation was carried out based on responses received from the Directors.

A separate exercise was carried out by the NRC to evaluate the performance of individual Directors who were evaluated on several parameters. The performance evaluation of the Non-Independent Directors and the Board as a whole was carried out by the Independent Directors.

The performance evaluation of the Chairman of the Company was also carried out by the Independent Directors, taking into account the views of the Executive and Non-Executive Directors. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the Director being evaluated. Qualitative comments and suggestions of Directors were taken into consideration by the Chairman of the Board and the Chairman of the NRC. The Directors have expressed their satisfaction with the evaluation process.

14. Confirmation regarding Independence of Independent Directors

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Rules framed thereunder.

Based on the disclosures received from all the Independent Directors, the Board is of the opinion that the Independent Directors fulfill the conditions specified in Section 149 of the Act and are independent of the Management.

15. Statement regarding the opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year.

No independent Director was appointed during the year under review.

16. Directors' Responsibility Statement

Pursuant to the provisions of Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirm that:

i. In the preparation of the annual accounts for Financial Year ended March 31, 2024, the applicable accounting standards have been followed and there are no material departures in adoption of these standards;

ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state o of the Company as on March 31, 2024, and of the profit of the Company for the year ended on that date;

iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. The Directors have prepared the annual accounts for Financial Year ended March 31, 2024, on a 'going concern' basis; and

v. The Directors have devised proper systems to ensure compliance with provisions of all applicable laws and that such systems were adequate and operating effectively.

17. Corporate Social Responsibility ("CSR")

Transforming lives of the rural population has been the primary focus of all CSR initiatives undertaken by your Company. The endeavour is to empower the rural communities and help them unleash their potential. Your Company has identified Healthcare, Education (including Livelihood) and Environment as key CSR thrust areas for the welfare of one of the major stakeholders - rural communities in India.

As per the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules"), the mandatory CSR spend of the Company for FY 2024 was INR 113.70 lakhs, against which the Company has spent INR 114.18 lakhs. The Company does not intend to set off the excess spend, against the mandatory CSR spend in succeeding years. Your Company is in compliance with the statutory requirements in this regard.

During the year under review, the CSR Policy was amended to align with the provisions of the Act and to include, *inter-alia,* the Composition of CSR Secretariat, monitoring process of CSR interventions, etc. The amended Policy has been hosted on the website of the Company and can be accessed at the web-link:
https://www.mahindrainsurance.com/who-we-are/our-policies/corporate-social-responsibility

A brief outline of the CSR Policy and the CSR initiatives undertaken by the Company during the year under review are appended as **Annexure I** to this Report.

18. Company's policy on remuneration of Directors, Key Managerial Personnel and Employees

The Company has adopted following policies as required under sub-section (3) of section 178 of the Act:

(i) 'Policy on Remuneration of Directors' and
(ii) 'Remuneration Policy for Key Managerial Personnel (KMPs) and Employees'.

which includes the criteria for determining qualifications, positive attributes and independence of a director.

The NRC while recommending the appointment of Directors, considers desirable qualifications which may amongst other things include professional qualifications, skills, professional experience, background and knowledge apart from the criteria of independence as prescribed under the Act, wherever applicable.

The Policy on Remuneration of Directors and Remuneration Policy for KMPs and Employees of the Company is appended as **Annexure II** to this Report in accordance with the provisions of sub-section (4) of section 178 of the Act. The remuneration paid to the directors is as per the terms laid out in the Remuneration Policy of the Company.

is the aforesaid Policies are also hosted on the Company's website at the weblink https://www.mahindrainsurance.com/who-we-are/our-policies/remuneration-policy

19. Whistle Blower Policy

Your Company promotes ethical behaviour in all its business activities and has established a vigil mechanism for its Directors, Employees and Stakeholders to report their genuine concerns. The Company has voluntarily adopted a Whistle Blower Policy. There areadequate safeguards against victimisation of persons who use such mechanism and they have direct access to the Chairperson of the Audit Committee. Under the Whistle Blower Policy of the Company the employees, directors, vendors, suppliers, or any other stakeholders associated with the Company are eligible to make protected disclosures.

The confidentiality of those reporting violation(s) is protected under the Policy, and they are not subjected to any discriminatory practices. Protected disclosures can be made through 5 reporting channels viz. phone, email, web portal, fax and post box. The Whistle Blower Policy has been appropriately communicated within the Company and is available on the website of your Company at the web-link: https://www.mahindrainsurance.com/who-we-are/our-policies/whistle-blower-policy.

20. Codes of Conduct

The Company has Codes of Conduct ("the Codes") for its Directors, and Senior Management, and Employees. These Codes enunciate the underlying principles governing the conduct of 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 received declarations under the Codes from the Board Members, the Senior Management and Employees of the Company affirming compliance with the respective Codes, for the year under review.

The Board has also laid down a Code of Conduct for Independent Directors pursuant to Section 149(8) read with Schedule IV of the Act, which is a guide to professional conduct for Independent Directors of the Company. This code is available on the Company's website at https://www.mahindrainsurance.com/sites/default/files/pdf/code_of_conduct_independent_directors.pdf

21. Public Deposits

Your Company has not accepted any deposits from public or its employees during the year under review. Therefore, no amount on account of principal or interest on deposits from public was outstanding as on the date of balance sheet.

22. Particulars of loans, guarantees or investments

Your Company has granted loans and made investments pursuant to the provisions of Section 186 of the Act, the details of which are provided in the relevant notes to the financial statements for the year under review and form part of this Annual Report. Your Company has not given any Corporate Guarantee during the year under review.

23. Particulars of contracts or arrangements with related parties

All contracts / arrangements / transactions entered into by the Company with related parties during the year under review were in the ordinary course of business and on arm's length basis and were in compliance with applicable provisions of the Act.

All related party transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained on an Annual basis for the transactions which are planned / repetitive in nature. Related Party Transactions entered into pursuant to omnibus approval so granted are placed before the Audit Committee for review on a quarterly basis.

Pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 details of transactions with related parties are given in the prescribed form AOC -2 as **Annexure III** and the same form part of this report.

24. Material Changes and Commitments affecting the Financial Position of the Company

Mahindra Insurance Brokers Limited has now become a wholly owned subsidiary of Mahindra & Mahindra Financial Services Limited.

On the basis of the Agreement with Mahindra & Mahindra Financial Services Limited (MMFSL) and Inclusion Resources Pte Limited (IRPL), MMFSL acquired additional 20% equity shares in the Company from IRPL, to make the Company a wholly owned subsidiary of MMFSL with effect from September 22, 2023. This transfer of shares has received the approval of IRDAI.

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of this Report.

25. Change in the nature of business

There was no change in nature of business carried on by the Company during the year under review.

26. Risk Management

The Company has a well-defined risk management framework in place. Your Company has established procedures to periodically review risks and steps taken to mitigate risks. The key business risks identified by the Company and its mitigation plans are as under.

i) Competitive Risks

Overall slowdown in economic activity could have an adverse effect on the financial condition and operational results of the Company.

As the overall levels of economic activity increase, the demand for insurance generally rises, and vice-versa. This impacts both, the brokerage as well as fees, generated by the business. Softening of the insurance market i.e., downward trends in the year-over-year insurance premium charged by insurers to offer protection against the same risk, could adversely affect the business as a large portion of the earnings are brokerage which is determined as a percentage of premium charged to the customers.

Significant competitive pressures in each of the business lines

The Company competes with insurance intermediaries in both retail and commercial lines business. Some of the competitors may have or may develop a lower cost structure, adopt or provide services that gain greater market acceptance. Large and well-established competitors may be able to respond to the need for technological changes and innovate faster, or price their services more aggressively. They may also compete hard for skilled professionals, finance acquisitions, fund internal growth and compete for customers. To respond to increased competition, we may have to lower the pricing of the services.

ii) Legal and Regulatory Risks

The Company is subject to professional indemnity claims made against it, as well as other legal proceedings, some of which, if determined against the Company, could have a material adverse effect on the financial condition or results of operations of a particular business line or the Company as a whole.

The Company traditionally has procured, and intends to continue to procure, insurance to cover professional indemnity claims and other insurance to provide protection against certain claims or losses that arise in such matters.

The business is subject to extensive regulation, which could reduce profitability, limit growth, or increase competition.

The business is subject to extensive legal and regulatory oversight, including the IRDAI (Insurance Brokers) Regulations, 2018 and the rules and regulations promulgated by IRDAI and a variety of other laws, rules and regulations. This legal and regulatory oversight could reduce profitability or limit growth by limiting or restricting the products or services the Company sells, by increasing the costs of legal and regulatory compliance, limiting the distribution methods by which it sells products and services, or capping the brokerage or fees it can charge for the services, limiting the amount and form of compensation it can accept from the customers, insurers and third parties, or by subjecting the business to the possibility of legal and regulatory actions or proceedings.

Though the employees of the Company and authorized representatives exercise due care so not to violate these laws and regulations, there can be no assurances as regards the same.

iii) Operational and Commercial Risks

The Company's success depends on its ability to retain and attract experienced and qualified personnel, including the senior management and operating team and other professional personnel.

The business depends, to a large extent, upon the members of the senior management team and senior operating team, who possess extensive knowledge and a deep understanding of the business and strategy. The unexpected loss of services of any of the senior executives could have a disruptive effect, thereby impacting ability to manage the business effectively till such time as an able replacement is in place. The Company is constantly working to retain and attract these professionals through various people development initiatives.

Business performance and growth plans could be affected if the Company is not able to effectively apply technology in driving value for its customers through technology-based solutions or gain internal efficiencies through the effective application of technology and related tools. Conversely, investments in innovative technology-based solutions may fail to yield sufficient return to cover their investments.

The Company's success depends, in part, on its ability to apply and implement technology-based solutions that anticipate and keep pace with rapid and continuing changes in customer preferences. Response to these preferences needs to be timely and cost-effective. This also entails the business to incur considerable investment. In order to acquire and retain customers, the Company continuously strives to offer newer and cost-effective technologies to its customers, ahead of its competitors.

Other factors, outside of the Company's control.

The Company has no control over premium rates. The brokerage rates, too, are capped by the regulations.

In addition to movements in premium rates, the ability to generate premium-based brokerage revenue may be challenged by:

- the level of compensation, as a percentage of premium, that insurers are willing to compensate brokers for placement activity, which in any case, is capped by the regulations;

- competition from insurers seeking to sell their products directly to consumers without the involvement of an insurance broker;
- increasing willingness on the part of customers to "self-insure", which would increase competition and put pressure on pricing;
- fluctuation in the need for insurance as the economic downturn continues, as customers prioritize their need and willingness to procure insurance accordingly.

27. Auditors

Statutory Auditors:

As per Section 139(2) of the Act read with Rule 5 of the Companies (Audit and Auditors) Rules, 2014, your Company is not permitted to appoint or re-appoint an audit firm as its statutory auditor for more than two terms of five consecutive years, as the Company's paid-up share capital exceeds INR 10 crores.

Further, pursuant to Regulation 34(8) of the Insurance Regulatory and Development Authority of India's ("**IRDAI**") (Insurance Brokers) Regulations, 2018 ("**Brokers Regulations**"), the Statutory Auditors *of the insurance broker shall be appointed for a maximum continuous duration of up to 5 years.* As such, the provisions of the Brokers Regulations have not been harmonized with the provisions relating to term of Statutory Auditor in the Act.

The shareholders at their 36th (Thirty-Sixth) Annual General Meeting ("AGM") held on July 17, 2023, had approved appointment of Messrs. Mukund M. Chitale & Co., Chartered Accountants (ICAI Registration Number 106655W) ("MMC"), as the Statutory Auditors of the Company to hold office from the conclusion of the 36th (Thirty-Sixth) AGM till the conclusion of the 41st (Fourth-First) AGM of the Company to be held in the year 2028, subject to the favorable response from IRDAI to the representation dated March 23, 2023 submitted by the Company regarding permitting appointment of the statutory period for a further period of five years as provided under the Act.

Since no response has been received from IRDAI, MMC, will cease to be the Auditors of the Company from the conclusion of the forthcoming AGM of the Company.

Messrs. M/s. Gokhale & Sathe, Chartered Accountants (ICAI Firm Registration Number 103264W) are proposed to be appointed as Statutory Auditors of the Company for a period of 5 (five) consecutive years from the conclusion of the 37th (Thirty-seventh) AGM till the conclusion of the 42nd (Forty-second) AGM of the Company to be held in the year 2029, and the limited review of financial statements for the first quarter of the F.Y. 2028-29.

The Report given by the Statutory Auditors on the Financial Statements of the Company for the Financial Year 2023-24 is a part of this Annual Report. The Report is unmodified and does not contain any qualification, reservation, adverse remark or disclaimer.

The Statutory Auditors were present at the previous AGM of the Company i.e. 36th AGM held on July 17, 2023.

Branch Auditor

The Company is in the process of opening its first overseas branch in the Dubai International Financial Centre (DIFC) and is awaiting the final clearances from the Dubai Financial Services Authority (DFSA). The Company has appointed Crowe Mak Limited as the branch auditor for the DIFC Dubai Branch.

Secretarial Auditor:

The Board of Directors of the Company has appointed Messrs. Siroya & BA, Associates, Company Secretaries, to conduct the Secretarial Audit of the Company pursuant to the provisions of section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The secretarial audit report for the Financial year 2023-24, does not contain any qualifications, reservations, or adverse remarks or disclaimer. In accordance with the provisions of sub-section (1) of section 204 of the Act, the Secretarial Audit Report for the Financial Year 2023-24 is appended to this Report as **Annexure IV**.

28. Accounting Standards followed by the Company

The financial statements have been prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

29. Human Resources

The cornerstone of your Company's business is its human resource – its people. Your Company considers its talent as its greatest asset and continues to invest in development of Human Capital. During the financial year ended on March 31, 2024, your Company focussed on learning programs with direct impact on sales and services of insurance products, and behaviour important for delivering enhanced customer experience. The re-imagined approach to learning and development continues with adoption ofdigital platforms providing employees an on the go learning mechanisms.

During the year ended on March 31, 2024, your Company organized various capability development programs focused on enhancing insurance domain knowledge and re-skilling, and programs recommended by regulators for the employees in different functions and at different levels.

During the year under review, the People Development Team intensified its continual pursuit of connecting to and communicating with employees on a regular basis providing immediate support and care throughout the year. During this year the Company supported its employees with various Physical and Psychological wellbeing programs and facilities by empaneling with external expert service provider M/s. Imagine Healthfin Pvt. Ltd. Some of the services provided are comprehensive medical health check-up, physiotherapy, counselling sessions on mental health, habit coaching, etc.

Your Company understands its responsibility towards society and also the concept of sustainability through the spectrum of people, profit and planet, and always encourages its employees in volunteering and implementing various social initiatives in this regard. For this the Company has a robust framework of processes based on the principles upgraded by assessments / feedback from the institutions such as The Mahindra Way and ISO.

Your Company strongly believes in maintaining the dignity of all employees. Discrimination and harassment of any type are strictly prohibited. Your Company has taken necessary steps to comply with all statutory requirements and spread awareness with respect to provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") and the Rules framed thereunder.

The Company has Internal Complaints Committee (ICC) in compliance of the relevant provisions of the POSH Act to redress complaints of sexual harassment. During the year under review, 1 (one) case was received and addressed, pursuant to the Act and Rules framed thereunder.

30. Subsidiaries, Associates and Joint Venture Companies

The Company does not have any subsidiary, associate or joint venture as at March 31, 2024 and did not have it any time during the Financial Year ended on that date.

31. Particulars regarding conservation of energy, technology absorption, and foreign exchange earnings and outgo

The particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 are given in **Annexure V** to this report.

32. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

No significant or material order passed by any regulator(s) or court(s) or tribunal(s) impacting the going concern status and company's operations in future, have been received during the year under review.

33. Details in respect of adequacy of internal financial controls with reference to the Financial Statements

Your Company has in place adequate system of internal financial controls with reference to financial statements, commensurate with the size, scale and complexity of its operations. Your Company uses various industry standard systems to enable, empower and engender businesses and also to maintain its Books of Accounts. The transactional controls built into these systems ensure appropriate segregation of duties, the appropriate level of approval mechanisms and maintenance of supporting records.

Assessment of the internal financial controls of the Company was undertaken during the year which covered verification of entity level controls, process level controls and IT controls, identification, assessment and definition of key business processes and analysis of risk control matrices, etc. The risk control matrices are reviewed on a yearly basis and control measures are tested and documented on a quarterly basis. Reasonable Financial Controls are operative for all the business activities of the Company and no material weakness in the design or operation of any control was observed.

Nonetheless your Company recognizes that any internal control framework, no matter how well designed, has inherent limitations and accordingly, regular audits and review processes ensure that such systems are reinforced on an ongoing basis.

The Audit Committee reviews reports submitted by the management and audit reports submitted by Internal Auditors and Statutory Auditors. Suggestions for improvement are considered and the Audit Committee follows up on corrective action. The Audit Committee also meets Company's statutory auditors to ascertain, *inter-alia*, their views on the adequacy of internal control systems and keeps the board of directors informed of its major observations periodically.

The management has assessed the effectiveness of the company's internal control over financial reporting as of March 31, 2024.

M/s. Mukund M. Chitale, the Statutory Auditors of your Company have audited the financial statements for the year under review which are in part of this annual report and have issued a report on the internal financial control over financial reporting (as defined in section 143 of Act).

Based on its evaluation (as defined in section 177 of Act), the Audit Committee has concluded that, as of March 31, 2023, our internal financial controls were adequate and operating effectively.

34. Reporting of Frauds

There was no fraud reported by the Statutory Auditor of the Company to the Audit Committee. Further, there was no fraud which was required to be reported by the Auditors of the Company to the Central Government.

Also, there was no fraud reported by the Secretarial Auditor.

35. Maintenance of Cost Records

Your Company is not required to maintain Cost Records pursuant to section 148(1) of the Act read with applicable Rules.

36. Amendment in Articles of association

During the year under review, the shareholders, at their Extra-Ordinary General Meeting held on January 17, 2024, approved amendment to the Articles of Association of the Company .

37. Disclosure under Insolvency and Bankruptcy Code

During the year under review, your Company has not made any application and hence there are no proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016). Further, the Company has no borrowings, and hence the requirement of providing details of difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.

38. Acknowledgements

Your Directors would like to place on record their sincere appreciation for the continuous support of the regulator, IRDAI, and guidance rendered by it to the Company and the insurance industry, in general. Your Directors would also like to thank the Company's customers, business partners, vendors and investors for their continuous support.

Above all, your Directors take pride in and would like to specially thank the employees of the Company, many of who, of their own accord, have gone beyond their sphere of duties, to help the general public and the underprivileged sections of society during the year under review. Your Directors truly appreciate and value the contributions made by each and every member of the Company.

For and on behalf of the Board

Rajeev Dubey
Chairman
DIN: 00104817

Mumbai | April 16, 2024
Registered Office:
Mahindra Towers,
P. K. Kurne Chowk, Worli,
Mumbai – 400 018
CIN: U65990MH1987PLC042609
Tel: +91 22 6642 3800 | Fax: +91 22 2491 5894
E-mail: insurance.care@mahindra.com
Website: www.mahindrainsurance.com

ANNEXURE I - A TO THE BOARD'S REPORT

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2023-24

1. **Brief outline on CSR Policy of the Company.**

At Mahindra Insurance Brokers Limited ("MIBL") we sincerely believe that the actions of the organization and its community are highly inter-dependent. Both on its own and as part of the Mahindra Group, through constant and collaborative interactions with our external stakeholders, **MIBL** strives to become an asset in the communities where it operates.

MIBL mission is driving positive impact in communities.

Objective of this Policy is to continuously and consistently:

- Define and lay down the guiding principles and strategies implementing Company's CSR initiatives;
- Outline our Board's vision and approach for undertaking CSR and creating impact in the communities;
- Encourage an increased commitment and engagement from employees towards CSR and volunteering interventions called ESOPs (Employee Social Options).

Policy Guidelines

- All CSR Projects must be aligned as prescribed in Schedule VII of the Companies Act, 2013.
- CSR projects or programmes or interventions (except training of Indian Sports Personnel representing any State or Union territory at national level or India at international level) must be undertaken in India.
- The Company may take help of International Organizations in designing, monitoring, and evaluating its CSR Projects, and in assisting with capacity building of its personnel. However, it is clarified that such organizations cannot take the responsibility of actual implementation of the CSR initiatives.
- CSR projects or programmes must not include the initiatives undertaken in pursuance of normal course of business of the Company.
- Projects or programmes or Interventions that benefit only the employees of the Company shall not be considered as CSR.
- CSR interventions should be in project/programme mode. One-off events such as marathons/awards/charitable contribution/advertisement/sponsorship of TV programmes etc. and any other sponsorship activity deriving marketing benefits for the company's products or services will not qualify as part of CSR expenditure.
- Contribution of any amount directly or indirectly to any political party shall not be considered as CSR.
- Activities carried out for fulfilment of any other statutory obligations under any law in force in India will not qualify towards CSR requirements.

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Rajeev Dubey	Chairman, Non-Executive & Non-Independent Director	2	2
2	Mr. Ramesh Iyer	Non-Executive & Non-Independent Director	2	2
3	Ms. Anjali Raina	Independent Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company: https://www.mahindrainsurance.com/who-we-are/our-policies/corporate-social-responsibility

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable – **NA**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years(in Rs)	Amount required to be set-off for the financial year, if any(in Rs)
Not Applicable			

6. (a) Average net profit of the company as per section 135(5) - **INR 56,85,008,068**
   (b) Two percent of average net profit of the company as per section 135(5) - **INR 1,13,70,162**
   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years – **NA**
   (d) Amount required to be set off for the financial year, if any – **NA**
   (e) Total CSR obligation for the financial year (6b + 6c – 6d) **INR – 1,13,70,162**

7.
   a. CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (INR)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second revision to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of transfer
1,14,18,000	NA	NA	NA	NA	NA

b. Details of CSR amount spent against **ongoing projects** for the financial year: -

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No).	Location of the project.		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation- Through Implementing Agency	
				State	District						Name	CSR Registration number
Not Applicable												

c. Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation– Through implementing agency	
				State	District			Name	CSR Registration number
1	Project Nanhi kali - Providing education to underprivilege ed girls from rural area	(iii)	Yes	Uttar Pradesh	-	56,85,000	Yes	KC Mahindra Education Trust	
2	Skill development training & employment for Women (Dhan & Sampada)	(ii)	Yes	Delhi	Delhi NCR	10,00,000	No	Centum Foundation	CSR00000520

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	**Name of the Project**	**Item from the list of activities in schedule VII to the Act**	**Local area (Yes/ No).**	**Location of the project.**		**Amount spent for the project (in Rs.)**	**Mode of implementation - Direct (Yes/No)**	**Mode of implementation– Through implementing agency**	
				State	**District**			**Name**	**CSR Registration number**
3	Project Home away from home-Providing shelter to children suffering from cancer and undergoing treatment at hospitals in Mumbai	(iii)	Yes	Maharashtra	Mumbai	28,00,000	No	St. Jude childcare centre	CSR00001026
4	Project MASUM-Helping women for detection and prevention of cervical cancer especially in rural areas	(i)	Yes	Maharashtra	Pune	15,00,000	No	MASUM	CSR00006841
5	Support towards procuring Blind Folding Sticks & talking watches	(ii)	Yes	Maharashtra	Borivali, Mumbai	33,000	No	National Society for the Blind	CSR00012853
6	MIBL is supporting Nair Hospital for procuring Airway equipment which will be used for patients especially who are suffering from cancer.	(i)	Yes	Maharashtra	Mumbai	4,00,000	No	BYL Nair Hospital	
	TOTAL					**1,14,18,000**			

d. Amount spent in Administrative Overheads - **NIL**
e. Amount spent on Impact Assessment, if applicable - **NA**
f. Total amount spent for the Financial Year (7b +7c +7d+ 7e) - **INR in Lacs 1,32,30,000**
g. Excess amount for set off, if any – **NA**

Sl. No.	**Particular**	**Amount (in Rs.)**
(i)	Two percent of average net profit of the company as per section 135 (5)	1,13,70,162
(ii)	Total amount spent for the Financial Year	1,14,18,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	47,838
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil

Sl. No.	Particular	Amount (in Rs.)
(v)	Amount available for set off in succeeding financial years[(iii)-(iv)]	*

** The Company had spent Rs. 47,838 in excess of its CSR Obligations for FY 2024. While set off for excess CSR is permitted under law, the Company does not intend to set off the same.*

8.

a. Details of Unspent CSR amount for the preceding three financial years -

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the Reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)	Deficiency, if any
				Name of the Fund	Amount (in Rs).	Date of transfer.		
Not Applicable								

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details).**

   h. Date of creation or acquisition of the capital asset(s).- **None**
   i. Amount of CSR spent for creation or acquisition of capital asset. - **Nil**
   j. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - **NA**
   k. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). – **NA**

10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). – **NA**

For and on behalf of the
Mahindra Insurance Brokers Limited

Vedanarayanan Seshadri
Managing Director and Principal Officer
(DIN: 08864477)

Rajeev Dubey
Chairman
Corporate Social Responsibility Committee
(DIN: 00104817)

Place: Mumbai
Date: April 16, 2024

ANNEXURE II - A TO THE BOARD'S REPORT

POLICY ON REMUNERATION OF DIRECTORS

Prelude

Mahindra Insurance Brokers Limited ("Company") is a composite insurance broking company registered with the Insurance Regulatory and Development Authority of India ('IRDAI'), and is engaged in providing direct insurance broking for Corporate and Retail customers and offers a range of products for the Non-Life and Life segments.
The company is also engaged in the business of reinsurance broking wherein it caters to insurance requirements of insurance companies.

This Policy shall be effective from the Financial Year 2014 - 15.

Intent of the Policy

The intent of the Remuneration Policy of Directors of the Company is to focus on enhancing the value and to attract and retain quality individuals with requisite knowledge and excellence as Executive and Non-Executive Directors for achieving objectives of the Company and to place the Company in a leading position.

The Nomination and Remuneration Committee (NRC) of the Board shall, while formulating the policy ensure that —

a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
c) remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

While deciding the policy on remuneration of Directors the Committee may consider amongst other things, the duties and responsibilities cast by the Companies Act, 2013, various Codes of Conduct, Articles of Association, restrictions on the remuneration to Directors as also the remuneration drawn by Directors of other companies in the industry, the valuable contributions and inputs from Directors based on their knowledge, experience and expertise in shaping the destiny of the Company etc. The Policy is guided by a reward framework and set of principles and objectives as more fully and particularly envisaged under Section 178 of the Companies Act, 2013 and principles pertaining to qualifications, positive attributes, integrity and independence of Directors, etc.

Directors

The Managing Director is an executive of the Company and draws remuneration from the Company. The Non-Executive Chairman and Independent Directors may receive sitting fees for attending the meeting of the Board and the Committees thereof, if fixed by the Board of Directors from time to time subject to statutory provisions. The Non-Executive Chairman and Independent Directors would be entitled to the remuneration under the Companies Act, 2013. A Non-Executive Chairman and Non-Executive Non-Independent Directors who receive remuneration from the holding company or a Group Company will not be paid any sitting fees or any remuneration. In addition to the above, the Directors are entitled for reimbursement of expenses incurred in discharge of their duties. Payment of Remuneration to Nominee Directors shall be governed by the agreement with the Financial Institution/Bank appointing the Nominee Director and by the Articles of Association of the Company.

The Managing Director and other eligible Director(s) as per extant statutory provisions may be granted Employees Stock Options, Stock Appreciation Rights or any other Share based Employee benefits pursuant to any scheme that may be approved by the Board of Directors and shareholders of the Company subject to such other approvals as may be required.

Non-Executive Directors may be paid remuneration either by way of monthly payment or at a specified percentage of net profits of the Company or partly by one way and partly by another, subject to the provisions of Companies Act, 2013.

The NRC while determining the remuneration shall ensure that the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the Company successfully. While considering the remuneration, the NRC shall also ensure a balance between fixed and performance-linked variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The NRC shall consider that a successful Remuneration Policy must ensure that some part of the remuneration is linked to the achievement of corporate performance targets.

Managing Director/Executive Directors

The term of office and remuneration of Managing Director/Executive Directors are subject to the approval of the Board of Directors, Shareholders and other Statutory Authorities as may be required and the limits laid down under the Companies Act, 2013 from time to time.

If, in any Financial Year, the Company has no profits or its profits are inadequate, the Company shall pay, subject to the requisite approvals, remuneration to its Managing Director/Executive Directors in accordance with the provisions of Schedule V of the Companies Act, 2013.

If any Managing Director/Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the approval of shareholders, where required, he/she shall refund such sums to the Company within 2 years or such lesser period as may be allowed by the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Shareholders by Special Resolution.

Remuneration of the Managing Director/Executive Directors reflects the overall remuneration philosophy and guiding principle of the Company. While considering the appointment and remuneration of Managing Director/Executive Directors, the NRC shall consider the industry benchmarks, merit and seniority of the person and shall ensure that the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.

Remuneration for Managing Director/Executive Director is designed subject to the limits laid down under the Companies Act, 2013 to remunerate them fairly and responsibly. The remuneration to the Managing Director/Executive Director comprises of salary, perquisites and performance based incentive apart from retirement benefits like Provident Fund, Superannuation, Gratuity, Leave Encashment, etc., as per Rules of the Company. Salary is paid within the range approved by the Shareholders. Increments are effective annually, as recommended / approved by the NRC/ Board. In terms of the shareholders' approval, the Commission may be paid to Managing Director in any Financial Year at a rate not exceeding 1/4% (one fourth percent) per annum of the profits of the

Company computed in accordance with the applicable provisions of the Companies Act, 2013 as may be recommended by NRC and approved by the Board.

The total remuneration will have a flexible component with a bouquet of allowances to enable the Managing Director/Executive Director to choose the allowances as well as the quantum based on laid down limits as per Company policy. The flexible component can be varied only once annually.

The actual pay-out of variable component of the remuneration will be a function of individual performance as well as business performance. Business performance is evaluated using a Balanced Score Card (BSC) while individual performance is evaluated on Key Result Areas (KRA). Both the BSC and KRAs are evaluated at the end of the fiscal to arrive at the BSC rating of the business and performance rating of the individual.

Remuneration also aims to motivate the Personnel to deliver Company's key business strategies, create a strong performance-oriented environment and reward achievement of meaningful targets over the short and long-term.

The Managing Director/Executive Directors are entitled to customary non-monetary benefits such as company cars, health care benefits, leave travel, communication facilities, etc., as per policies of the Company. The Managing Director and Executive Directors are entitled to grant of Stock Options as per the approved Stock Options Schemes of the Company from time to time.

Disclosures

Information on the total remuneration of members of the Company's Board of Directors, Managing Director/Executive Directors and Key Managerial Personnel/Senior Management Personnel may be disclosed in the Board’s Report as per statutory requirements laid down in this regard.

****

ANNEXURE II - B TO THE BOARD'S REPORT
REMUNERATION POLICY FOR KMP's AND EMPLOYEES

This Policy shall be effective from the Financial Year 2014-15.

Objective

To establish guidelines for remunerating employees fairly and in keeping with statutes.

Definition(s)

"Key Managerial Personnel" (KMP) as defined in section 2(51) of the Companies Act, 2013 means:

(i) the Chief Executive Officer or the Managing Director or Manager;
(ii) the Company Secretary;
(iii) the Whole-time Director;
(iv) the Chief Financial Officer; and
(v) such other officer as may be prescribed.

Standard

The broad structure of compensation payable to employees is as under:

- Fixed pay which has components like basic salary & other allowances / flexi pay as per the grade where the employees can chose allowances from bouquet of options.
- Variable pay (to certain grades) in the form of annual / half yearly performance pay based on Key Result Areas agreed – as applicable.
- Incentives either monthly or quarterly based on targets in the lower grades.
- Retirals such as Provident Fund, Gratuity & Superannuation (for certain grades).
- Benefits such as Employee Stock Option scheme, car scheme, medical & dental benefit, loans, insurance, telephone reimbursements, etc., as per grades.

Increments

Salary increase is given to eligible employees based on position, performance & market dynamics as decided from time to time.

For and on behalf of the Board

Rajeev Dubey
Chairman
DIN: 00104817

Mumbai, April 16, 2024

ANNEXURE III TO THE BOARD'S REPORT

FORM NO. AOC -2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis- Nil

2. Details of Material contracts or arrangements or transactions at Arm's length basis: Nil

For and on behalf of the Board

Mumbai, April 16, 2024

Rajeev Dubey
Chairman
DIN: 00104817

ANNEXURE IV – SECRETARIAL AUDIT REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Mahindra Insurance Brokers Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mahindra Insurance Brokers Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the relevant and applicable provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder, as may be applicable;
(ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment. There is no Overseas Direct Investment or External Commercial Borrowing in the Company; and
(iii) Based on the representation made by the Company and its officers and our verification of the relevant records on test check basis, the Company has adequate system and process in place for compliance under the following laws applicable specifically to the Company:

    (i) Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018.

We have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards issued by The Institute of Company Secretaries of India, and
2. Listing Agreement/LODR: The Company is an unlisted Company and therefore compliance with listing agreement is not applicable.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, to the extent applicable. We have been informed by the Company that, during the year, the Company has received certain show cause notices from various regulatory authorities and the Company has responded to such notices, except two notices from GST authorities, which were received on March 28, 2024 and the Company is in process of submitting reply thereon and the last date for reply is April 28, 2024. We have been further informed that the Company has not received any further response on such show cause notices from any such authorities.

We further report that the Board of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors, Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. During the year under review:

(i) Mr. Rajnish Agrawal, Director (DIN: 03335692) retired at the annual general meeting of the Company held on July 17, 2023 as he didn't seek re-appointment thereat.

Adequate notice was given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation & deliberations at these meetings.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company in order to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has undertaken below mentioned significant/ material corporate events/actions which may have a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above other than the following:

1. The Company has become a wholly owned subsidiary of Mahindra and Mahindra Financial Services Limited (Holding Company) w.e.f. September 22, 2023 pursuant to the acquisition of remaining 20% shareholding of the Company from Inclusion resources Private Limited by the Holding Company;

2. The Company has received an In-principal approval from Dubai Financial Services Authority (DFSA) on September 12, 2023, to establish a Branch office in Dubai International Finance Centre ("DIFC Dubai Branch") and subsequently the members at their Extra-ordinary General Meeting held on October 18, 2023, approved the appointment of a Branch Auditor for DIFC Dubai Branch by Ordinary Resolution; and

3. At the Extra Ordinary General Meeting held on January 17, 2024, the members approved the following businesses by special resolution(s):

    a) Adoption of amended and restated Articles of Association of the Company; and
    b) Loans to bodies corporate and investment of surplus funds of the Company.

For Siroya and BA Associates
Company Secretaries

Bhavyata Raval
Partner
ACS No.: 25734
CP No.: 21758
PR No.: 3907/2023
UDIN.: A025734F000141685

Date: April 16, 2024
Place: Mumbai

Note: This Report is to be read with our letter of even date which is annexed as '**Annexure A'** herewith and forms an integral part of this report.

Annexure A’

To,
The Members,
Mahindra Insurance Brokers Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management’s representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Siroya and BA Associates
Company Secretaries

Bhavyata Raval
Partner
ACS No.: 25734
CP No.: 21758
PR No.: 3907/2023
UDIN.: A025734F000141685

Date: April 16, 2024
Place: Mumbai

<u>ANNEXURE V TO THE DIRECTORS' REPORT</u>

Information pursuant to section 134(3)(m) of the Companies Act, 2013, read with the Rule 8 (3) of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo

(A) Conservation of energy-

i. **the steps taken or impact on conservation of energy;**
   The operations of your Company are not energy intensive. However, adequate measures have been initiated to reduce energy consumption
ii. **the steps taken by the company for utilising alternate sources of energy** – Nil
iii. **the capital investment on energy conservation equipments** – Not Applicable

(B) Technology absorption-

i **the efforts made towards technology absorption** – *None.*
ii **the benefits derived like product improvement, cost reduction, product development or import substitution** – *Not applicable.*
iii **in case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year)**
   a) the details of technology imported : *None*
   b) the year of import; : *Not applicable*
   c) whether the technology been fully absorbed; : *Not applicable*
   d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; : *Not applicable*
iv **the expenditure incurred on Research and Development** – *Nil*.

(C) Foreign exchange earnings and Outgo

The information on foreign exchange earnings and outgo is furnished in the Notes to the Accounts.

For and on behalf of the Board

Rajeev Dubey
Chairman
DIN: 00104817

Mumbai, April 16, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Mahindra Insurance Brokers Limited

Report on the Audit of Ind AS Financial Statements

1. **Opinion**

We have audited the accompanying Ind AS financial statements of Mahindra Insurance Brokers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and notes to the Ind AS financial statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. **Basis for Opinion**

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on Ind AS financial statements.

3. **Information other than the Ind AS financial statements and Auditor's report thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Directors Report and Management Discussion and Analysis but does not include the Ind AS financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of our auditor's report.

Our opinion on the Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information included in the above reports, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

4. **Management's Responsibility for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS accounting standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

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

In preparing the Ind AS financial statements, Company's Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

5. **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with Standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

i) Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii) Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

v) Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

6. Report on Other Legal and Regulatory Requirements

i) As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

ii) As required by section 143 (3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of Ind AS Financial Statements.

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

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

d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS 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, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on the financial position in its Ind AS financial statements – Refer Note 32 to the Ind AS financial statements;

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

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

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Based on reasonable audit procedures adopted by us, nothing has come to our notice that such representation contains any material misstatement.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note 33.1 to the financial statements

(a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Based on our procedures performed we did not notice any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 106655W

(S. M. Chitale)
Partner
M. No. 111383
UDIN : 24111383BKBGMX4156

Date : April 16, 2024
Place : Mumbai

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF MAHINDRA INSURANCE BROKERS LIMITED

Referred to in paragraph [6(i)] under Report on Other Legal and Regulatory Requirements of our report of even date

(i) a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, other Intangible assets, Intangible asset under development, Right-of-use Assets.

B) The Company has maintained proper records showing full particulars of intangible assets.

b) The Property, Plant and Equipment and Right-of-use Assets of the company have been physically verified by the Management, in the phased manner during the year. The company is in the process of reconciling the same with the fixed asset register. The discrepancies if any, arising out of reconciliation will be considered in the books of accounts in the period in which the reconciliation is complete.

c) According to the information and explanations given to us and on the basis of our examination of the records of the company, there are no immovable properties held in the name of the Company. Accordingly, paragraph 3(i)(c) of the order is not applicable to the Company.

d) The Company has not revalued its Property, Plant and Equipment (including Right-of -Use assets) or other intangible assets during the year.

e) No proceedings have been initiated or is pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

(ii) a) The company is in the business of providing insurance broking services and does not hold any inventory. Therefore, the provision of paragraph 3(ii)(a) of the said order is not applicable to the Company.

b) According to the information and explanations given to us, the Company has not been sanctioned any working capital limits in excess of Rs. 5 crores, in aggregate, at any point of time during the year, from banks or financial institutions on the basis of security of current assets. Therefore, the provision of paragraph 3(ii)(b) of the said order is not applicable to the Company.

(iii) The Company has made investments in, provided guarantees (letter of comfort) and granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

a) According to the information and explanations given to us, and on the basis of our verification of records of the Company, the Company has provided loans during the year.

Particulars	Amount (in Lakhs)
Loan	
Aggregate amount during the year	20,200
Balance outstanding at the balance sheet	35,525

b) In our opinion, the investments made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.

c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest have been regular as per stipulation.

d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

(iv) In our opinion, and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and Section 186 of the Companies Act, 2013 in respect of loans and investments made, and guarantees and security provided by it, as applicable.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

(vii) According to the information and explanations given to us, in respect of statutory dues:

a) the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Services Tax, Value Added Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it as per the available records as far as ascertained by us on our verification.

According to the information and explanations given to us, there are no undisputed dues in respect of provident fund, income-tax, service tax, sales-tax, duty of customs, value added tax, cess and other material statutory dues which are outstanding, at the end, for a period of more than six months from the date they became payable.

b) According to the records of the Company, the dues outstanding of income-tax, sales tax, service tax, duty of customs, value added tax and cess on account of any dispute, are as follows:

Name of the statue	Nature of the dues	Amount (Rs. In Lakhs)	Period to which amount relates	Forum where the dispute is pending
Income tax	Disallowance of donation	16.61	AY 2016-17	JCIT/CIT
Tax Deducted at Source	Interest on TDS	5.23	F.Y. 2011-12 to F.Y. 2023-2024	Rectification filed with the AO
Tax Deducted at Source	Short deduction of TDS	2.74	F.Y. 2011-12 to F.Y. 2023-2024	Rectification filed with the AO

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

d) No funds have been raised on short-term basis and hence, reporting under clause 3(ix)(d) of the Order is not applicable.

e) The Company did not have any subsidiary or associate or joint venture during the year and hence reporting under clause (ix)(e) of the Order is not applicable to the Company.

f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x) a) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under paragraph 3(x)(a) of the Order is not applicable to the Company.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) a) During the course of our examination of books of accounts and as far as records/details made available and verified by us and according to the information and explanations given to us, five instances of fraud on the Company (Amounting to Rs. 6.46 Lakhs) were reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) We have taken into consideration, the whistle blower complaints received by the Company during the year and provided to us while determining the nature, timing and extent of audit procedures.

(xii) The Company is not a nidhi company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.

(xiv) a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date of our audit report, in determining the nature, timing and extent of our audit procedures.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or person connected with them. Accordingly, provisions of clause 3 (xv) of the Order are not applicable to the Company.

(xvi) a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

b) According to the information and explanations given to us, there are four Core Investment Companies within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Ind AS financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 106655W

(S. M. Chitale)
Partner
M. No. 111383
UDIN : 24111383BKBGMX4156

Date: April 16, 2024
Place: Mumbai

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF MAHINDRA INSURANCE BROKER LIMITED

Referred to in paragraph [6(ii)(f)] under Report on Other Legal and Regulatory Requirements of our report of even date

Report on the Internal Financial Controls With reference to Ind AS Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. We have audited the internal financial controls with reference to Ind AS financial statements of **Mahindra Insurance Broker Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control criteria with reference to Ind AS financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India" (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

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

   We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Ind AS financial statements.

Meaning of Internal Financial Controls with reference to Ind AS financial statements

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

Inherent Limitations of Internal Financial Controls with reference to Ind AS financial statements

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

Opinion

6. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Mukund M. Chitale & Co.**
Chartered Accountants
Firm Regn. No. 106655W

(S. M. Chitale)
Partner
M. No. 111383
UDIN : 24111383BKBGMX4156

Date: April 16, 2024
Place: Mumbai

BALANCE SHEET AS AT 31 MARCH 2024

₹ in Lakhs

		Note No.	As at 31 March 2024	As at 31 March 2023
I	**ASSETS**			
1	**NON-CURRENT ASSETS**			
	(a) Property, Plant and Equipment	1	**1,191.10**	893.42
	(b) Right of use assets	21	**2,343.45**	2,787.71
	(c) Other Intangible Assets	2	**337.80**	47.09
	(d) Intangible Assets Under Development	22	**33.67**	263.61
	(e) Financial Assets			
	(i) Investments	3	**2,450.00**	12,650.00
	(ii) Loans	4	**12,200.00**	15,325.00
	(iii) Other Financial Assets	5	**558.97**	1,231.43
	(f) Deferred Tax Assets (net)	6 (d)	**1,035.06**	688.05
	(g) Other Non-current Assets	7	**8,651.42**	3,815.41
	SUB-TOTAL		**28,801.47**	37,701.72
2	**CURRENT ASSETS**			
	(a) Financial Assets			
	(i) Investments	3	**16,401.38**	2,300.00
	(ii) Trade Receivables	8	**14,842.37**	7,622.77
	(iii) Cash and Cash Equivalents	9	**1,252.13**	1,731.69
	(iv) Loans	4	**23,325.00**	16,550.00
	(v) Other Financial Assets	5	**3,016.94**	832.34
	(b) Other Current Assets	7	**2,734.83**	1,486.75
	SUB-TOTAL		**61,572.65**	30,523.55
	TOTAL ASSETS		**90,374.12**	68,225.27
II	**EQUITY AND LIABILITIES**			
	EQUITY			
	(a) Equity Share Capital	10	**1,030.93**	1,030.93
	(b) Other Equity	11	**64,225.77**	52,289.75
	SUB-TOTAL		**65,256.70**	53,320.68
	LIABILITIES			
1	**NON-CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	Lease liabilities	25	**2,395.10**	2,745.67
	(b) Provisions	12	**974.80**	922.71
	SUB-TOTAL		**3,369.90**	3,668.38
2	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Trade Payables			
	(a) total outstanding dues of Micro enterprises and small enterprises	13	**20.44**	2.33
	(b) total outstanding dues of credtiors other than Micro enterprises and small enterprises	13	**8,356.99**	3,199.40
	(ii) Lease liabilities	25	**309.89**	381.43
	(iii) Other Financial Liabilities	14	**65.44**	80.41
	(b) Provisions	12	**2,715.16**	2,460.13
	(c) Other Current Liabilities	15	**10,279.60**	5,112.51
	SUB-TOTAL		**21,747.52**	11,236.21
	TOTAL EQUITY AND LIABILITIES		**90,374.12**	68,225.27

The accompanying statement of accounting policies and notes 1 to 37 are an integral part of the Financial Statements.

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn No. 106655W

Saurabh M. Chitale
Partner
Membership No. 111383

Place: Mumbai
Date: April 16, 2024

For and on behalf of the Board of Directors

Rajeev Dubey	Ramesh Iyer	Vivek Karve	Hemant Sikka	Jyotin Mehta
Chairman	**Director**	**Director**	**Director**	**Director**
DIN: 00104817	DIN: 00220759	DIN: 06840707	DIN: 00922281	DIN: 00033518
Anjali Raina	Vedanarayanan Seshadri		Niranjan Karde	Saurabh V. Dharadhar
Director	**Managing Director & Principal Officer**		**Company Secretary**	**Chief Financial Officer & Ethics Officer**
DIN: 02327927	DIN: 08864477		Mem No.: ACS 26372	

Place: Mumbai
Date: April 16, 2024

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2024

₹ in Lakhs

	Particulars	Note No.	Year ended 31 March 2024	Year ended 31 March 2023
I	Revenue from operations	16	**105,766.16**	39,449.69
II	Other Income	17	**3,729.00**	3,200.96
III	**Total Income (I + II)**		**109,495.16**	42,650.65
IV	**EXPENSES**			
	(a) Employee benefit expense	18	**11,647.50**	11,873.38
	(b) Finance costs	25	**239.89**	193.72
	(c) Depreciation and amortisation expense	25.2	**1,025.09**	1,026.46
	(d) Other expenses	19	**79,832.90**	24,952.04
	Total Expenses [(a) + (b) + (c) + (d)]		**92,745.38**	38,045.60
V	**Profit before tax (III - IV)**		**16,749.78**	4,605.05
VI	**Tax Expense**			
	(1) Current tax	6 (a)	**4,726.00**	1,292.00
	(2) Deferred tax	6 (a)	**(328.40)**	(131.02)
	Total tax expense [(1) + (2)]		**4,397.60**	1,160.98
VII	**Profit for the year [(V-VI]**		**12,352.18**	3,444.07
VIII	**Other comprehensive income**		**(55.34)**	(13.02)
	A (i) Items that will not be reclassified to profit or loss		**–**	–
	Remeasurements of the defined benefit plans		**(73.95)**	(17.40)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	6 (b)	**18.61**	4.38
IX	**Total comprehensive income for the year (VII+VIII)**		**12,296.84**	3,431.05
X	**Earnings per equity share**			
	(1) Basic	20	**119.82**	33.41
	(2) Diluted	20	**119.82**	33.41

The accompanying statement of accounting policies and notes 1 to 37 are an integral part of the Financial Statements.

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn No. 106655W

Saurabh M. Chitale
Partner
Membership No. 111383

Place: Mumbai
Date: April 16, 2024

For and on behalf of the Board of Directors

Rajeev Dubey **Chairman** DIN: 00104817	Ramesh Iyer **Director** DIN: 00220759	Vivek Karve **Director** DIN: 06840707	Hemant Sikka **Director** DIN: 00922281	Jyotin Mehta **Director** DIN: 00033518
Anjali Raina **Director** DIN: 02327927	Vedanarayanan Seshadri **Managing Director & Principal Officer** DIN: 08864477		Niranjan Karde **Company Secretary** Mem No.: ACS 26372	Saurabh V. Dharadhar **Chief Financial Officer & Ethics Officer**

Place: Mumbai
Date: April 16, 2024

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

₹ in Lakhs

Particulars	Note No.	Year ended 31 March 2024	Year ended 31 March 2023
Cash flows from operating activities			
Cash receipts towards brokerage		**105,766.17**	39,449.69
Other Receipts		**2,150.71**	2,704.15
Payment towards expenses		**(91,415.41)**	(36,783.21)
Income taxes paid		**(9,547.95)**	(2,951.78)
(Increase) in trade and other receivables		**(7,284.61)**	(995.43)
(Increase)/decrease in other assets		**(1,540.15)**	87.02
(Decrease)/increase in trade and other payables		**5,160.75**	(2,864.48)
Increase/(decrease) in provisions		**307.10**	(453.33)
Increase in other liabilities		**4,568.75**	3,226.05
		8,165.36	1,418.68
Cash generated from operations		**8,165.36**	1,418.68
Cash flows from investing activities			
Amounts advanced to related parties		**(20,200.00)**	(27,100.00)
Repayments by related parties		**16,550.00**	25,940.00
Amounts advanced - other investments		**(42,400.00)**	(5,425.00)
Repayments - other investments		**38,660.54**	7,090.69
Payments for property, plant and equipment	1	**(900.14)**	(664.90)
Proceeds from disposal of property, plant and equipment		**124.68**	27.36
Payments for intangible assets/intangible assets under developments		**(119.18)**	(53.51)
Net cash (used in) by investing activities		**(8,284.10)**	(185.36)
Cash flows from financing activities			
Dividends paid to owners of the Company	11	**(360.82)**	(515.47)
Net cash (used in) from financing activities		**(360.82)**	(515.47)
Net increase/(decrease) in cash and cash equivalents		**(479.56)**	717.85
Cash and cash equivalents at the beginning of the year		**1,731.69**	1,013.84
Effects of exchange rate changes on the balance of cash held in foreign currencies			
Cash and cash equivalents at the end of the year		**1,252.13**	1,731.69

Note:

The above cash flow statement has been prepared under the “direct method” as set out in ‘Indian Accounting Standard (Ind AS 7)- Statement of Cash Flows’

The accompanying statement of accounting policies and notes 1 to 37 are an integral part of the Financial Statements.

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn No. 106655W

Saurabh M. Chitale
Partner
Membership No. 111383

Place: Mumbai
Date: April 16, 2024

For and on behalf of the Board of Directors

Rajeev Dubey, **Chairman**, DIN: 00104817
Ramesh Iyer, **Director**, DIN: 00220759
Vivek Karve, **Director**, DIN: 06840707
Hemant Sikka, **Director**, DIN: 00922281
Jyotin Mehta, **Director**, DIN: 00033518

Anjali Raina, **Director**, DIN: 02327927
Vedanarayanan Seshadri, **Managing Director & Principal Officer**, DIN: 08864477
Niranjan Karde, **Company Secretary**, Mem No.: ACS 26372
Saurabh V. Dharadhar, **Chief Financial Officer & Ethics Officer**

Place: Mumbai
Date: April 16, 2024

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2024

A. Equity share capital

Particulars	₹ in Lakhs
Issued, Subscribed and Fully Paid up:	
Balance as at 1 April 2022	**1,030.93**
Changes due to prior period errors	–
Restated balance as at 1 April 2022	1,030.93
Changes during the year	–
Balance as at 31 March 2023	**1,030.93**
Balance as at 1 April 2023	1,030.93
Changes due to prior period errors	–
Restated balance as at 1 April 2023	1,030.93
Changes during the year	–
Balance as at 31 March 2024	**1,030.93**

B. Other Equity

₹ in Lakhs

	Reserves and Surplus			**Items of other comprehensive income**	
	Securities Premium	General Reserve	Retained Earnings	Remeasurement (loss) (net) on defined benefit plans	**Total**
As at 1 April 2022	1,589.50	1,658.43	46,486.25	(360.01)	49,374.17
Changes in accounting policy/prior period errors	–	–	–	–	–
Restated balance as at 1 April 2022	1,589.50	1,658.43	46,486.25	(360.01)	49,374.17
Profit for the year	–	–	3,444.07	–	3,444.07
Other Comprehensive Income / (Loss)			–	(13.02)	(13.02)
Dividend paid on Equity Shares	–	–	(515.47)	–	(515.47)
As at 31 March 2023	1,589.50	1,658.43	49,414.85	(373.03)	52,289.75
Changes in accounting policy/prior period errors	**–**	**–**	**–**	**–**	**–**
Restated balance as at 1 April 2023	**1,589.50**	**1,658.43**	**49,414.85**	**(373.03)**	**52,289.75**
Profit for the year			**12,352.18**	**–**	**12,352.18**
Other Comprehensive Income / (Loss)			**–**	**(55.34)**	**(55.34)**
Dividend paid on Equity Shares	**–**	**–**	**(360.82)**	**–**	**(360.82)**
As at 31 March 2024	**1,589.50**	**1,658.43**	**61,406.21**	**(428.37)**	**64,225.77**

The accompanying statement of accounting policies and notes 1 to 37 are an integral part of the Financial Statements.

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn No. 106655W

Saurabh M. Chitale
Partner
Membership No. 111383

Place: Mumbai
Date: April 16, 2024

For and on behalf of the Board of Directors

Rajeev Dubey	Ramesh Iyer	Vivek Karve	Hemant Sikka	Jyotin Mehta
Chairman	**Director**	**Director**	**Director**	**Director**
DIN: 00104817	DIN: 00220759	DIN: 06840707	DIN: 00922281	DIN: 00033518

Anjali Raina	Vedanarayanan Seshadri	Niranjan Karde	Saurabh V. Dharadhar
Director	**Managing Director & Principal Officer**	**Company Secretary**	**Chief Financial Officer & Ethics Officer**
DIN: 02327927	DIN: 08864477	Mem No.: ACS 26372	

Place: Mumbai
Date: April 16, 2024

STATEMENT OF MATERIAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2024

1 Company overview

Mahindra Insurance Brokers Limited is a Public Limited Company incorporated and domiciled in India. The Company's registered office is at Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai - 400 018. The Company is an Insurance Regulatory and Development Authority of India (IRDAI) registered broker in the category "Composite" for life, general and re-insurance business.

The immediate parent Company is Mahindra & Mahindra Financial Services Limited and ultimate parent Company is Mahindra & Mahindra Limited, a company incorporated in Mumbai, India.

2 Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act, 2013 (the 'Act'), in conformity with the Accounting Priniciples generally accepted in India and other relevant provisions of the Act.

a. Statement of compliance and basis of preparation

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the Accounting policy hitherto in use.

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

The financial statements of the Company for the year ended March 31, 2024 were approved for issue by the Company's Board of Directors on April 16, 2024.

b. Functional and presentation currency

These financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency. All amounts are rounded-off to the nearest lacs, unless otherwise indicated.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
– Financial assets and liabilities which are generally derivative instruments	Fair value
– Liabilities for cash-settled share-based payment arrangements	Fair value
– Net defined benefit (asset) / liability	Fair value of plan assets less present value of defined benefit obligations

d. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has established policies and procedures with respect to the measurement of fair values. The Chief Financial Officer and person entrusted has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, including assessments that these valuations meet the requirements of Ind AS 113. Significant valuation issues are reported to audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilties.
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

e. Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Assumptions and estimation uncertainties

Following are areas that involved a higher degree of judgement or complexity in determining the carrying amount of some assets and liabilities. Detailed information about each of these estimates and judgements that have a significant risk of resulting in material adjustment in the year ending March 31, 2024 is included in relevant notes.

- Estimation of current tax expense and payable
- Estimated useful life of property, plant and equipments
- Estimated useful life of intangible assets
- Estimation of defined benefit obligation
- Impairment of trade receivables
- Impairment of financial assets
- Estimation of share based payments
- Provisions and contingent liabilities
- Going concern

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

3 Material accounting policies

a. Property, plant and equipments :

Recognition and measurement

All the items classified under property, plant and equipment are stated at cost of acquisition (including incidental expenses) less accumulated depreciation and any accumulated impairment losses, if any.

Cost of acquisition comprises of purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated cost of dismantling and removing the items and restoring the site on which it is located.

When significant parts of an item of property, plant and equipment have different useful lives, they are depreciated as separate items (major components) of property, plant and equipment.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part

STATEMENT OF MATERIAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2024

will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised.

Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives as specified in the Schedule II of the Act or estimated by the management using straight-line method and is recognised in the statement of profit and loss except:

i. Motor cars where useful life is estimated at 4 years as against 8 years per Schedule II since the employees to whom these cars have been allotted as part of their terms of employment are entitled to change their vehicles every four years, and

ii. Property, Plant & Equipments having value individually less than INR 5000 where useful life is estimated at less than one year having regard to the nature of these assets and the difficulty in estimating the useful life.

   Further, residual value for all assets is considered Nil having regard to the difficulty in reasonably estimating the same and, in the case of motor cars, having regard to terms of employment under which these are allotted to the employees.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Class of asset	**Estimated Useful Life**
Plant and equipment (including computers)	2-6 years
Office equipments	5 years
Furniture and fixtures	10 years
Leasehold Premises	Over the period of lease
Vehicles	4 years

Depreciation methods, useful lives are reviewed at each financial year-end and adjusted if appropriate. The effect of change in estimate of useful life is accounted on prospective basis.

Derecognition of Property, Plant & Equipments

Property, Plant & Equipments are derecognised on disposal or when no future benefits are expected from its use. Assets retired from active use and held for disposal are stated at lower of their carrying amount or fair value less cost of sale. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposable proceeds and the net carrying amount of the assets) is recognised in Other Income / netted off from any loss on disposal in the statement of Profit & Loss in the year the asset is derecognised.

b. Intangible Assets :

Intangible Assets are initially recognised at cost. Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any.

Amortisation

Subsequent to initial recognition, amortisation of intangible assets with finite useful lives is calculated on cost of intangible assets less their estimated residual values over their estimated useful lives using straight-line method and is recognised in the statement of profit and loss.

The estimated useful lives for the current and comparative periods are as follows:

Class of assets	**Estimated Useful Life**
Computer software	**3 years**

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. The effect of change in estimate of useful life is accounted on prospective basis.

Intangible assets under development

The Company capitalizes the expenditure on intangible asset under development in accordance with the accounting policy. Initial capitalization of costs is based on management's judgement that technological and economic feasibility is confirmed and the capability to demonstrate the ability to use or sell the intangible assets, the probability of generating future economic benefit and the ability to measure reliably the attributable expenditure.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the statement of profit and loss in the year when the asset is derecognised.

c. Impairment of assets other than financial assets :

Impairment of tangible and intangible assets other than goodwill

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of profit and loss.

STATEMENT OF MATERIAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2024

d. Foreign currency :

Transactions in foreign currencies are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period end exchange rates are generally recognised in statement of profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

e. Financial instruments :

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in statement of profit and loss.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

– Amortised cost;

– fair value through other comprehensive income (FVOCI) - debt investment;

– fair value through other comprehensive income (FVOCI) - equity investment;

– fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

– the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investment in debt instrument is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company irrevocably elects to present subsequent changes in the investment's fair value in other comprehensive income (designated as FVOCI - equity investment). This election is made on investment-by-investment basis.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at fair value through profit or loss (FVTPL). This includes all derivative financial assets.

On initial recognition, the Company irrevocably designates a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces accounting mismatch that would otherwise arise.

Financial Assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the "Other income" line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Financial assets: Subsequent measurement and gains and losses

- Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Any gain and loss derecognition is recognised in the statement of profit and loss.
- Debt investment at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.
- Equity investment at FVOCI are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI. On derecognition, gains and losses are not reclassified to statement of profit and loss.
- Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

STATEMENT OF MATERIAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2024

Income is recognised on an effective interest basis for debt instruments other than those which are classified as at FVTPL. Interest income is recognised in statement of profit and loss and is included in the "Other income" line item.

Financial liabilities and equity instruments:

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognised at the proceeds received. Transaction costs of an equity transaction are recognised as a deduction from equity.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. The dividends on mandatorily redeemable preference shares are recognised in the statement of profit and loss as interest expense. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

Compound financial instruments

The component parts of compound instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. Interest related to the financial liability is recognised in profit or loss (unless it qualifies for inclusion in the cost of an asset).

Conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity remains in equity until the conversion option is exercised, in which case, the balance recognised in equity is transferred to [share premium/other equity]. Where the conversion option remains unexercised at the maturity date of the convertible instrument, the balance recognised in equity is transferred to [retained profits/ other equity]. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting

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

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Impairment of financial instruments

The Company recognises a loss allowance for expected credit losses (ECL) on:

– Financial assets measured at amortised cost;

– Financial assets measured at FVOCI - debt investments;

The Company always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. 12 month ECL represents the portion of lifetime ECL that

STATEMENT OF MATERIAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2024

is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward-looking information.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised in OCI and carrying amount of the financial asset is not reduced in the balance sheet.

f. Revenue Recognition :

Revenue is measured at the transaction value of the consideration received or receivable. Amount disclosed as revenue are exclusive of GST and net of revenue on policy cancellations and endorsements.

Rendering of services

Brokerage Income is accounted for net of GST amount on rendition of services. Brokerage income is recognized on receiving details of the policy issued by the insurance company or receipt of brokerage whichever is earlier.

The Company recognises revenue from rendering of consultancy services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed.

Dividend and interest income

Dividends are recognised in the statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

g. Employee Benefits :

Superannuation Fund, ESIC and Labour Welfare Fund

The Company's contribution paid/payable during the year to Superannuation Fund, ESIC and Labour Welfare Fund are recognised in the statement of profit and loss.

Provident Fund

Contributions to Provident Fund are charged to the statement of profit and loss as incurred. The Company is liable for the contribution and any shortfall in interest between the amount of interest realised by the investments and the interest payable to the members at the rate declared by the Government of India.

Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by an actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined Contribution Plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Compensated Absences

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by acturial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid or availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non accumulating compensated absences is recognised in the period in which the absences occur.

Cash Settled Share Based Payments

Cash Settled Share Based Payments, the fair value of the amount payable to employees is recognized as 'employee benefit expenses' with corresponding increase in liabilities, over the period of non market vesting conditions getting fulfilled. The fair value of the option at the grant date is calculated by an independent valuer basis Black Scholes Model. The liability is remeasured at each reporting period up to, and including the settlement date, with changes in fair value recognized in employee benefit expenses.

h. Taxation :

Income tax expense comprises current tax and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises expected tax payable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

STATEMENT OF MATERIAL ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2024

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Minimum Alternate Tax (MAT)

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with asset will be realised.

i. Provisions, Contingent Liabilities and Contingent Assets :

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liability is:

a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

b) A present obligation that arises from past events but is not recognised because:

   (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   (ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are disclosed. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

A contingent asset is disclosed where an inflow of economic benefits is probable.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

j. Leases :

The Company as a Lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company’s estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property and lease liabilities; both in the “balance sheet” as separate line items, in the statement of financial position.

k. Segment Reporting :

Operating Segments are reported consistently with the internal reporting provided to the Managing Director. The highest decision making executive is reposnsible for allocating resources to and assessing the performance of the operating segments. The highest decision making body is Managing Director.

l. Earnings per share :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company’s earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

m. Cash and Cash Equivalents :

Cash and Cash Equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short term deposits with an original maturity of three months or less, which are subject to significant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 1 - Property, Plant and Equipment

₹ in Lakhs

	Description of Assets	Plant and Equipment (including computers)	Leasehold Improvements	Office Equipment	Furniture and Fixtures	Vehicles	Total
I.	**Gross Carrying Amount**						
	Balance as at 1 April 2023	**1,166.66**	**214.41**	**232.40**	**139.98**	**917.07**	**2,670.52**
	Additions	7.52	197.37	114.73	143.54	436.98	900.14
	Disposals	13.22	–	174.30	128.01	203.13	518.66
	Balance as at 31 March 2024	**1,160.96**	**411.78**	**172.83**	**155.51**	**1,150.92**	**3,052.00**
II.	**Accumulated depreciation and impairment**						
	Balance as at 1 April 2023	**834.63**	**135.03**	**216.79**	**95.46**	**495.17**	**1,777.08**
	Depreciation/Impairment expense for the year	177.39	92.38	27.89	48.71	200.98	547.35
	Eliminated on disposal of assets	13.05	–	174.02	128.02	148.44	463.53
	Balance as at 31 March 2024	**998.97**	**227.41**	**70.66**	**16.15**	**547.71**	**1,860.90**
III.	**Net carrying amount (I-II)**	**161.99**	**184.37**	**102.17**	**139.36**	**603.21**	**1,191.10**

₹ in Lakhs

	Description of Assets	Plant and Equipment (including computers)	Leasehold Improvements	Office Equipment	Furniture and Fixtures	Vehicles	Total
I.	Gross Carrying Amount						
	Balance as at 1 April 2022	842.65	214.41	232.39	139.99	714.42	2,143.86
	Additions	325.14	–	–	–	302.32	627.46
	Disposals	1.13	–	–	–	99.68	100.81
	Balance as at 31 March 2023	1,166.66	214.41	232.39	139.99	917.06	2,670.51
II.	Accumulated depreciation and impairment						
	Balance as at 1 April 2022	655.30	85.48	177.85	70.20	428.67	1,417.50
	Depreciation/Impairment expense for the year	180.05	49.55	38.94	25.26	157.88	451.68
	Eliminated on disposal of assets	0.71	–	–	–	91.38	92.09
	Balance as at 31 March 2023	834.64	135.03	216.79	95.46	495.17	1,777.09
III.	Net carrying amount (I-II)	332.02	79.38	15.60	44.53	421.89	893.42

The company shifted its corporate office to the new premises during H1 of F24. Hence, accelerated depreciation on all tangible assets in the previous corporate office is provided over a period of four months starting from March 23. Consequently, accelerated depreciation of Rs.124.27 lakhs (P.Y. Rs.39.54 lakhs) has been provided.

The company has not revalued its property, plant & equipment during the year or previous financial year.

Note No. 2 - Other Intangible Assets

₹ in Lakhs

	Description of Assets	Computer Software
I.	**Gross Carrying Amount**	
	Balance as at 1 April 2023	345.11
	Additions	349.12
	Disposals	75.25
	Balance as at 31 March 2024	**618.98**
II.	**Accumulated amortisation and impairment**	
	Balance as at 1 April 2023	298.02
	Amortisation/Impairment expense for the year	58.41
	Eliminated on disposal of assets	75.25
	Balance as at 31 March 2024	**281.18**
III.	**Net carrying amount (I-II)**	**337.80**

₹ in Lakhs

	Description of Assets	Computer Software
	Intangible Assets	
I.	Gross Carrying Amount	
	Balance as at 1 April 2022	307.67
	Additions	37.44
	Disposals	–
	Balance as at 31 March 2023	345.11
II.	Accumulated amortisation and impairment	
	Balance as at 1 April 2022	275.02
	Amortisation/Impairment expense for the year	23.00
	Eliminated on disposal of assets	–
	Balance as at 31 March 2023	298.02
III.	Net carrying amount (I-II)	47.09

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 3 - Investments

₹ in Lakhs

Particular	**As at 31 March 2024**		As at 31 March 2023	
	Amounts	**Amounts**	Amounts	Amounts
	Current	**Non-Current**	Current	Non-Current
Investments Carried at Amortised Cost				
Investment in Fixed Deposits with Mahindra & Mahindra Financial Services Limited	**11,550.00**	**2,450.00**	2,300.00	12,650.00
TOTAL INVESTMENTS CARRIED AT AMORTISED COST	**11,550.00**	**2,450.00**	2,300.00	12,650.00
Investments Carried at Fair Value Through Profit and Loss				
Quoted Investments				
Investments in Mutual Funds	**4,851.38**	**–**	–	–
TOTAL INVESTMENTS CARRIED AT FAIR VALUE	4,851.38	**–**	–	–
TOTAL INVESTMENTS	**16,401.38**	**2,450.00**	2,300.00	12,650.00

Investments in Mutual Funds	**As at 31 March 2024**		As at 31 March 2023	
Particulars	**Units**	**Amt in ₹ in lakhs**	Units	Amt in ₹ in lakhs
Mahindra Manulife Liquid Reg-G	**311,428.45**	**4,851.38**	–	–
Total	**311,428.45**	**4,851.38**	–	–
Quoted				
Aggregate book value	**311,428.45**	**4,838.33**	–	–
Aggregate market value	**311,428.45**	**4,851.38**	–	–
Unquoted				
Aggregate book value	**–**	**–**	–	–

Note No. 4 - Loans

₹ in Lakhs

Particulars	**As at 31 March 2024**		As at 31 March 2023	
	Current	**Non-Current**	Current	Non-Current
Loans to related parties (Refer Note Below)				
– Unsecured, considered good	**23,325.00**	**12,200.00**	16,550.00	15,325.00
TOTAL LOANS	**23,325.00**	**12,200.00**	16,550.00	15,325.00

Note: Intercorporate Deposits (ICDs) placed with related parties.

₹ in Lakhs

Particulars	**As at 31 March 2024**	As at 31 March 2023
ICDs with Mahindra & Mahindra Financial Services Limited	**5,950.00**	9,700.00
ICDs with Mahindra Rural Housing Finance Limited	**29,575.00**	22,175.00
TOTAL	**35,525.00**	31,875.00

The above Intercorporate Deposits have been given for general business purpose of the recipient.

₹ in Lakhs

Particulars	**As at 31 March 2024**		As at 31 March 2023	
	Amount outstanding	**% of total**	Amount outstanding	% of total
ICDs with Promoters	**5,950.00**	**17%**	9,700.00	30%
ICDs with Related Parties	**29,575.00**	**83%**	22,175.00	70%
TOTAL	**35,525.00**		31,875.00	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 5 - Other financial assets

₹ in Lakhs

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	Non-Current	Current	Non-Current
Financial assets at amortised cost				
Interest Accrued but not due	**2,858.59**	**236.67**	832.34	954.82
Security Deposits	**–**	**262.30**	–	216.61
Bank Deposit with more than 12 months maturity*	**–**	**60.00**	–	60.00
Others	**158.35**	**–**	–	–
TOTAL	**3,016.94**	**558.97**	832.34	1,231.43

* The Bank Deposit with more than 12 months maturity is under lien to the IRDAI as per the IRDAI (Insurance Brokers) Regulations 2018.

Note No. 6 - Current Tax and Deferred Tax

(a) Income Tax recognised in profit or loss

₹ in Lakhs

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Current Tax:		
In respect of current year	**4,726.00**	1,292.00
In respect of prior years	**–**	–
	4,726.00	1,292.00
Deferred Tax:		
In respect of current year origination and reversal of temporary differences	**(328.40)**	(131.02)
	(328.40)	(131.02)
Total income tax expense	**4,397.60**	1,160.98

(b) Income Tax recognised in other comprehensive income

₹ in Lakhs

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Current Tax:		
Deferred tax related to items recognised in other comprehensive income during the year:		
Remeasurement of defined benefit obligations	**18.61**	4.38
Unrecognised tax loss used to reduce current tax expense	**–**	–
Others	**–**	–
	18.61	4.38
Classification of income tax recognised in other comprehensive income		
Income taxes related to items that will not be reclassified to profit or loss	**18.61**	4.38
Total income tax expense	**18.61**	4.38

(c) Reconciliation of estimated income tax expense at tax rate to income tax expenses in the statement of Profit and Loss:

₹ in Lakhs

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Profit before tax	**16,749.78**	4,605.05
Income tax expense calculated at prevailing tax rate	**4,215.92**	1,159.08
Effect of expenses that is non-deductible in determining taxable profit	**503.82**	284.47
Effect of tax incentives and concessions (other allowances)	**(322.14)**	(282.59)
Income tax expense recognised in profit and loss	**4,397.60**	1,160.98

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 6 - Current Tax and Deferred Tax (Cont)

(d) Movement in deferred tax balances

₹ in Lakhs

Particulars	**For the year ended 31 March 2024**			
	Opening Balance	**Recognised in Profit and Loss**	**Recognised in OCI**	**Closing Balance**
Tax effect of items constituting deferred tax assets				
Employee Benefits	**324.08**	**(15.57)**	**18.61**	**327.12**
Property, Plant and Equipment	**143.40**	**20.56**	**–**	**163.96**
Amortization and Interest in respect of lease payments	**50.93**	**(22.09)**	**–**	**28.84**
Provisions	**169.64**	**345.50**	**–**	**515.14**
	688.05	**328.40**	**18.61**	**1,035.06**
Net Tax Asset	**688.05**	**328.40**	**18.61**	**1,035.06**

₹ in Lakhs

Particulars	For the year ended 31 March 2023			
	Opening Balance	Recognised in Profit and Loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax assets				
Employee Benefits	333.86	(14.16)	4.38	324.08
Property, Plant and Equipment	130.38	13.02	–	143.40
Amortization and Interest in respect of lease payments	3.18	47.75	–	50.93
Provisions	85.23	84.41	–	169.64
	552.65	131.02	4.38	688.05
Net Tax Asset	552.65	131.02	4.38	688.05

Note No. 7 - Other assets

₹ in Lakhs

Particulars	**As at 31 March 2024**		As at 31 March 2023	
	Current	**Non-Current**	Current	Non-Current
(a) Advances other than capital advances				
(i) Earnest Money Deposit	**5.00**	**–**	6.20	–
(ii) Balances with government authorities (other than income taxes)	**2,112.19**	**–**	673.47	–
(iii) Advance for expenses	**17.37**	**–**	27.16	–
(iv) Other assets	**600.27**	**5.09**	779.92	0.59
(b) Capital Advance	**–**	**24.92**	–	15.35
(c) Advance payment of tax	**–**	**8,621.41**	–	3,799.47
Total Other Assets	**2,734.83**	**8,651.42**	1,486.75	3,815.41

Note No. 8 - Trade receivables

₹ in Lakhs

Particulars	**As at 31 March 2024**	As at 31 March 2023
	Current	Current
Trade receivables		
(a) Secured, considered good	**–**	–
(b) Unsecured, considered good	**14,842.37**	7,622.77
(c) Significant increase in credit risk	**–**	–
(d) Credit Impaired	**517.09**	452.09
Less: Allowance for Expected Credit Loss	**(517.09)**	(452.09)
Total	**14,842.37**	7,622.77
Of the above, trade receivables from:		
– Related Parties	**–**	9.73
– Others	**14,842.37**	7,613.04
Total	**14,842.37**	7,622.77

There is neither an instance where due date is not specified nor there are any unbilled dues.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 8 - Trade receivables (Cont)

₹ in Lakhs

Particulars	**As at 31 March 2024**					
	Less than 6 months	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed						
(a) Considered good	**14,513.64**	**139.41**	**163.41**	**25.91**	**–**	**14,842.37**
(b) Significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**
(c) Credit Impaired	**129.72**	**34.45**	**5.83**	**9.07**	**338.02**	**517.09**
Total	**14,643.36**	**173.86**	**169.24**	**34.98**	**338.02**	**15,359.46**
Less: Allowance for Expected Credit Loss	**–**	**–**	**–**	**–**	**–**	**(517.09)**
Total Undisputed Trade Receivables	**–**	**–**	**–**	**–**	**–**	**14,842.37**
Disputed						
(a) Considered good	**–**	**–**	**–**	**–**	**–**	**–**
(b) Significant increase in credit risk	**–**	**–**	**–**	**–**	**–**	**–**
(c) Credit Impaired	**–**	**–**	**–**	**–**	**–**	**–**
Total	**–**	**–**	**–**	**–**	**–**	**–**
Less: Allowance for Expected Credit Loss	**–**	**–**	**–**	**–**	**–**	**–**
Total Disputed Trade Receivables	**–**	**–**	**–**	**–**	**–**	**–**
Total Trade Receivables	**–**	**–**	**–**	**–**	**–**	**14,842.37**

₹ in Lakhs

Particulars	As at 31 March 2023					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed						
(a) Considered good	7,121.70	349.69	15.06	136.32	–	7,622.77
(b) Significant increase in credit risk	–	–	–	–	–	–
(c) Credit Impaired	93.55	11.80	8.99	10.40	327.35	452.09
Total	7,215.25	361.49	24.05	146.72	327.35	8,074.86
Less: Allowance for Expected Credit Loss	–	–	–	–	–	(452.09)
Total Undisputed Trade Receivables	–	–	–	–	–	7,622.77
Disputed						
(a) Considered good	–	–	–	–	–	–
(b) Significant increase in credit risk	–	–	–	–	–	–
(c) Credit Impaired	–	–	–	–	–	–
Total	–	–	–	–	–	–
Less: Allowance for Expected Credit Loss	–	–	–	–	–	–
Total Disputed Trade Receivables	–	–	–	–	–	–
Total Trade Receivables	–	–	–	–	–	7,622.77

Note No. 9 - Cash and Bank Balances

₹ in Lakhs

Particulars	**As at 31 March 2024**	As at 31 March 2023
Cash and cash equivalents		
(a) Balances with banks	**1,148.07**	830.25
(b) Cash on hand	**4.06**	1.44
Total Cash and cash equivalent (A)	**1,152.13**	831.69
Other Bank Balances		
Balances with Banks:		
Term Deposits with original maturity upto 3 months (B)	**100.00**	900.00
Total Cash and cash equivalent (A) + (B)	**1,252.13**	1,731.69

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 10 - Equity Share Capital

(a) Equity Share Capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of shares	**₹ in Lakhs**	No. of shares	₹ in Lakhs
Authorised:				
Equity shares of Rs. 10/- each with voting rights	**1,50,00,000**	**1,500.00**	1,50,00,000	1,500.00
Issued, Subscribed and Fully Paid:				
Equity shares of Rs. 10/- each with voting rights	**1,03,09,280**	**1,030.93**	1,03,09,280	1,030.93
Total	**1,03,09,280**	**1,030.93**	1,03,09,280	1,030.93

(b) Shares held by promoters

Promoter Name	As at 31 March 2024			As at 31 March 2023		
	No. of shares	**% of total shares**	**% change during the year**	No. of shares	% of total shares	% change during the year
Mahindra and Mahindra Financial Services Limited						
- Equity shares of Rs. 10/- each with voting rights	**1,03,09,280**	**100%**	**20%**	82,47,424	80%	0%

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the year

Particulars	Opening Balance	Fresh Issue	Bonus	ESOP	Closing Balance
(a) Equity Shares with Voting rights*					
Year ended 31 March 2024					
No. of Shares	1,03,09,280	–	–	–	1,03,09,280
Amount ₹ in Lakhs	1,030.93	–	–	–	1,030.93
Year ended 31 March 2023					
No. of Shares	1,03,09,280	–	–	–	1,03,09,280
Amount ₹ in Lakhs	1,030.93	–	–	–	1,030.93

*** Rights, preferences and restrictions attached to equity shares**

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. Further, the Board of Directors may also announce an interim dividend which would need to be confirmed by the shareholders at the forthcoming Annual General Meeting. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	No. of Shares		
	Equity Shares with Voting rights	**Equity Shares with Differential Voting rights**	**Others**
As at 31 March 2024			
Mahindra and Mahindra Financial Services Limited, the Holding Company	**1,03,09,280**	**–**	**–**
As at 31 March 2023			
Mahindra and Mahindra Financial Services Limited, the Holding Company	82,47,424	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 10 - Equity Share Capital (Cont)

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares/Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	Number of shares held	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Mahindra and Mahindra Financial Services Limited	**1,03,09,280**	**100%**	82,47,424	80%
Inclusion Resource Pte Limited	**–**	**0%**	20,61,856	20%

Note No. 11 - Other Equity

Description of the Nature and Purpose of Other Equity

Securities Premium: The securities premium is used to record the premium on issue of shares. The reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

General Reserve: The general reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed / utilized in accordance with the provisions of the Companies Act, 2013.

₹ in Lakhs

Particulars	Reserves and Surplus			Items of other comprehensive income	
	Securities Premium	General Reserve	Retained Earnings	Remeasurement (loss) / gain (net) on defined benefit plans	Total
As at 1 April 2022	**1,589.50**	**1,658.43**	**46,486.25**	**(360.01)**	**49,374.17**
Profit for the Year	–	–	3,444.07	–	3,444.07
Other Comprehensive Loss	–	–	–	(13.02)	(13.02)
Dividend paid on Equity Shares	–	–	(515.47)	–	(515.47)
As at 1 April 2023	**1,589.50**	**1,658.43**	**49,414.85**	**(373.03)**	**52,289.75**
Profit for the Year	–	–	12,352.18	–	12,352.18
Other Comprehensive Loss	–	–	–	(55.34)	(55.34)
Dividend paid on Equity Shares	–	–	(360.82)	–	(360.82)
As at 31 March 2024	**1,589.50**	**1,658.43**	**61,406.21**	**(428.37)**	**64,225.77**

Details of dividend

₹ in Lakhs

Particulars	**31-March-24**	31-March-23
Cash dividends on equity shares declared and paid		
Final dividend for the year ended on 31 March 2023: Rs. 3.50 per share (31 March 2022: Rs. 5.00 per share)	**360.82**	515.47
Total	**360.82**	515.47

Note: The Board of Directors in their meeting on April 16, 2024 recommended final dividend of Rs. 15.00 per equity share for the financial year ended March 31, 2024. This payment is subject to the approval of shareholders in the Annual General Meeting (AGM) of the company and if approved would result in a net cash outflow of approximately Rs. 1546.39 Lakhs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 12 - Provisions

₹ in Lakhs

Particulars		As at 31 March 2024		As at 31 March 2023	
		Current	**Non-Current**	Current	Non-Current
(a)	**Provision for employee benefits**				
	– Gratuity (Note 27)	**221.77**	**540.84**	201.53	481.69
	– Leave Encashment (Note 27)	**186.49**	**433.96**	161.41	441.02
	– Others	**2,227.16**	**–**	2,017.45	–
(b)	**Other Provisions**				
	– Provision for tax (net of advance tax paid)	**79.74**	**–**	79.74	–
Total Provisions		**2,715.16**	**974.80**	2,460.13	922.71

Note No. 13 - Trade Payables

₹ in Lakhs

Particulars		As at 31 March 2024	As at 31 March 2023
		Current	Current
Payables			
(I)	**Trade Payables**		
(i)	total outstanding dues of micro enterprises and small enterprises#	**20.44**	2.33
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises**	**8,356.99**	3,199.40
(II)	**Other Payables**		
(i)	total outstanding dues of micro enterprises and small enterprises#	**–**	–
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	**–**	–
Total		**8,377.43**	3,201.73

On the basis of confirmations received from parties

** Including amount payable to related parties of Rs.58.00 lakhs (PY: Rs.25.34 lakhs)

₹ in Lakhs

Particulars		As at 31 March 2024					
		Unbilled dues	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed dues							
(a)	MSME	**–**	**20.44**	**–**	**–**	**–**	**20.44**
(b)	Others	**7,885.11**	**336.21**	**9.71**	**36.49**	**89.47**	**8,356.99**
Disputed dues							
(a)	MSME	**–**	**–**	**–**	**–**	**–**	**–**
(b)	Others	**–**	**–**	**–**	**–**	**–**	**–**

₹ in Lakhs

Particulars		As at 31 March 2023					
		Unbilled dues	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues							
(a)	MSME	–	2.33	–	–	–	2.33
(b)	Others	2,811.90	193.53	35.51	101.43	57.03	3,199.40
Disputed dues							
(a)	MSME	–	–	–	–	–	–
(b)	Others	–	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 14 - Other Financial Liabilities

₹ in Lakhs

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	**Non-Current**	Current	Non-Current
Other Financial Liabilities Measured at Amortised Cost				
(i) Other Liabilities				
Salary Payable	**65.44**	**–**	80.41	**–**
Total Other Financial Liabilities	**65.44**	**–**	80.41	**–**

Note No. 15 - Other Liabilities

₹ in Lakhs

Particulars	As at 31 March 2024		As at 31 March 2023	
	Current	**Non-Current**	Current	Non-Current
Statutory dues				
– Taxes payable (other than income taxes)	**1,911.85**	**–**	725.25	–
– Taxes payable (income taxes)	**1,142.82**	**–**	556.19	–
– Employee Recoveries and Employer Contributions	**70.58**	**–**	67.38	–
Other Liabilities	**7,154.35**	**–**	3,763.69	–
TOTAL OTHER LIABILITIES	**10,279.60**	**–**	5,112.51	–

Note No. 16 - Revenue from Operations

₹ in Lakhs

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from rendering of services		
Brokerage*	**1,05,710.67**	38,890.18
Broker retainer fees	**–**	198.35
Handling charges	**–**	311.34
Consultancy fees	**55.49**	49.82
Total Revenue from Operations	**1,05,766.16**	39,449.69

* This includes brokerage, incentives and rewards.

Note No. 17 - Other Income

₹ in Lakhs

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(a) Interest Income		
– On Financial Assets at Amortised Cost	**3,456.25**	3,073.81
– On Income Tax Refund	**–**	72.12
(b) Miscellaneous Income	**92.85**	3.59
(c) Capital Gain on redemption of mutual funds	**148.87**	23.81
(d) Profit due to change in fair value of investments	**13.05**	–
(e) Profit on sale of property, plant and equipments	**16.31**	18.64
(f) Gain on foreign exchange	**1.67**	8.99
Total Other Income	**3,729.00**	3,200.96

Note No. 18 - Employee Benefits Expense

₹ in Lakhs

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
(a) Salaries and wages, including bonus*	**10,804.25**	10,625.73
(b) Contribution to provident and other funds	**487.31**	498.98
(c) Gratuity Expenses (Refer Note 27)	**162.43**	150.34
(d) Share based payment transactions expenses		
Cash-settled share-based payments	**18.51**	431.58
(e) Staff welfare expenses	**175.00**	166.75
Total Employee Benefit Expense	**11,647.50**	11,873.38

* Including payments to Key Managerial Person of Rs. 559.65 Lakhs (PY: Rs. 512.01 Lakhs)

Cash-settled share-based payments

In respect of the Cash-settled share-based payments, Employee Stock Options (ESOS) of the ultimate holding company Mahindra & Mahindra Limited and the holding company Mahindra & Mahindra Financial Services Limited (MMFSL) are issued to eligible employees of the Company. The Company makes the necessary payment to the respective ultimate holding company and holding company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 19 - Other Expenses

₹ in Lakhs

	Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(a)	Distribution fees*#	**75,035.89**	19,795.56
(b)	Power & fuel	**38.98**	52.58
(c)	Rent including lease rentals	**87.64**	17.87
(d)	Rates and taxes	**39.80**	41.93
(e)	Insurance	**455.25**	384.68
(f)	Postage, Telephone and Communication	**149.37**	185.50
(g)	Software Charges	**13.50**	0.33
(h)	Repairs - Others	**111.64**	122.56
(i)	Administration Support Charges	**199.28**	271.40
(j)	Manpower Contracting Charges	**442.45**	575.50
(k)	Advertisement	**0.76**	0.18
(l)	Sales promotion expenses	**158.19**	325.65
(m)	Travelling and Conveyance Expenses	**468.64**	607.04
(n)	Expenditure on Corporate Social Responsibilty (CSR) under section 135 of the Companies Act, 2013. (Note 33.3)	**114.18**	132.30
(o)	Provision for doubtful trade and other receivables (Note 23)	**65.00**	42.20
(p)	Bad debts written off	**–**	–
(q)	Auditors remuneration and out-of-pocket expenses	**16.11**	13.31
	(i) As Auditors	**6.00**	5.00
	(ii) For Other services	**9.75**	8.00
	(iii) For reimbursement of expenses	**0.36**	0.31
(r)	Directors' Commission	**31.00**	138.78
(s)	Directors' Sitting Fees	**8.50**	8.70
(t)	Legal and other professional costs	**812.28**	920.00
(u)	Loss due to change in fair value of investments	**–**	3.28
(v)	Miscellaneous expenses	**1,584.44**	1,312.69
Total Other Expenses		**79,832.90**	24,952.04

* Distribution fees are the payments made to Motor Insurance Service Providers (Automotive Dealers) as per the Guidelines issued under section 34 of the Insurance Act, 1938 and section 14 of the IRDAI Act, 1999 on Motor Insurance Service Provider with effect from 1st November 2017

This includes distribution fees and incentives to MISP dealers.

Note No. 20 - Earnings per Share

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
	₹	₹
	Per Share	Per Share
Basic Earnings per share	**119.82**	33.41
Diluted Earnings per share	**119.82**	33.41

Equity shares of Rs. 10/- each with voting rights

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

₹ in Lakhs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit for the year attributable to owners of the Company	**12,352.18**	3,444.07
Less: Preference dividend and tax thereon	**–**	–
Profit for the year used in the calculation of basic earnings per share	**12,352.18**	3,444.07
Weighted average number of equity shares (nos)	**1,03,09,280**	1,03,09,280
Earnings per share - Basic (₹)	**119.82**	33.41

Diluted earnings per share

The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock Options and Convertible Bonds for the respective Periods, if any.

₹ in Lakhs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Profit for the year used in the calculation of basic earnings per share	**12,352.18**	3,444.07
Add: Adjustments, if any	**–**	–
Profit for the year used in the calculation of diluted earnings per share	**12,352.18**	3,444.07
Profits used in the calculation of diluted earnings per share	**12,352.18**	3,444.07

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 20 - Earnings per Share (Contd.)

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

Particulars	**For the year ended 31 March 2024**	For the year ended 31 March 2023
Weighted average number of equity shares used in the calculation of Basic EPS	**1,03,09,280**	1,03,09,280
Add: Effect of Warrants, if any	**–**	–
ESOPs, if any	**–**	–
Convertible bonds, if any	**–**	–
Others, if any	**–**	–
Weighted average number of equity shares used in the calculation of Diluted EPS	**1,03,09,280**	1,03,09,280

Note No. 21 - Right of use assets

₹ in Lakhs

Description of Assets	**Right of use assets**
I. Gross Carrying Amount	
Balance as at 1 April 2023	**4,761.94**
Reclassifciation on account of adoption of Ind AS 116	**–**
Additions	**510.21**
Disposals	**2,179.94**
Balance as at 31 March 2024	**3,092.21**
II. Accumulated depreciation and impairment	
Balance as at 1 April 2023	**1,974.24**
Amortisation expense for the year	**419.33**
Disposals	**1,644.81**
Balance as at 31 March 2024	**748.76**
III. Net carrying amount (I-II)	**2,343.45**

₹ in Lakhs

Description of Assets	Right of use assets
I. Gross Carrying Amount	
Balance as at 1 April 2022	2,562.89
Reclassifciation on account of adoption of Ind AS 116	–
Additions	2,199.05
Balance as at 31 March 2023	**4,761.94**
II. Accumulated depreciation and impairment	
Balance as at 1 April 2022	1,422.45
Amortisation expense for the year	551.78
Balance as at 31 March 2023	1,974.23
III. Net carrying amount (I-II)	2,787.71

Note No. 22 - Intangible Assets Under Development

₹ in Lakhs

Particulars	**As at 31 March 2024**	As at 31 March 2023
Intangible Assets Under Development	**33.67**	263.61
Total	**33.67**	263.61

₹ in Lakhs

As at 31 March 2024

Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Intangible Assets Under Development	**17.92**	**15.75**	**–**	**–**	**33.67**
Total	**17.92**	**15.75**	**–**	**–**	**33.67**

₹ in Lakhs

As at 31 March 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Intangible Assets Under Development	79.25	142.23	–	42.13	263.61
Total	79.25	142.23	–	42.13	263.61

Note No. 23 - Financial Instruments

Capital management

The company's capital management objectives are:

– to ensure the company's ability to continue as a going concern

– to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the statement of financial position. The Company is subject to minimum capital requirements as stipulated by the IRDAI (Insurance Brokers) Regulations, 2018.

The company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

₹ in Lakhs

	31-March-24	31-March-23
Equity	**65,256.70**	53,320.68
Less: Cash and cash equivalents (Refer Note 9)	**(1,252.13)**	(1,731.69)
	64,004.57	51,588.99

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 23 - Financial Instruments (Cont)

Categories of financial assets and financial liabilities

₹ in Lakhs

As at 31 March 2024

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	**2,450.00**	–	–	**2,450.00**
Loans	**12,200.00**	–	–	**12,200.00**
Other Financial Assets	**558.97**	–	–	**558.97**
Current Assets				
Investments	**11,550.00**	**4,851.38**	–	**16,401.38**
Trade Receivables	**14,842.37**	–	–	**14,842.37**
Other Bank Balances	**1,252.13**	–	–	**1,252.13**
Loans	**23,325.00**	–	–	**23,325.00**
Other Financial Assets	**3,016.94**	–	–	**3,016.94**
Non-current Liabilities				
Lease liabilities	**2,395.10**	–	–	**2,395.10**
Current Liabilities				
Trade Payables	**8,377.43**	–	–	**8,377.43**
Lease liabilities	**309.89**	–	–	**309.89**
Other Financial Liabilities	**65.44**	–	–	**65.44**

₹ in Lakhs

As at 31 March 2023

	Amortised Costs	FVTPL	FVOCI	Total
Non-current Assets				
Investments	12,650.00	–	–	12,650.00
Loans	15,325.00			15,325.00
Other Financial Assets	1,231.43	–	–	1,231.43
Current Assets				
Investments	2,300.00	–	–	2,300.00
Trade Receivables	7,622.77	–	–	7,622.77
Other Bank Balances	1,731.69	–	–	1,731.69
Loans	16,550.00	–	–	16,550.00
Other Financial Assets	832.34	–	–	832.34
Non-current Liabilities				
Lease liabilities	2,745.67	–	–	2,745.67
Current Liabilities				
Trade Payables	3,201.73	–	–	3,201.73
Lease liabilities	381.43	–	–	381.43
Other Financial Liabilities	80.41	–	–	80.41

Financial Risk Management Framework

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Company.

Trade receivables consist of institutional customers, largely insurance companies. The Company deals only with those insurance companies who have obtained an acceptable level of credit rating. The Company does not have significant credit risk exposure to any single external counterparty. Out of total outstanding none of the debtors are pertaining to group companies.

The credit risk on liquid funds invested in Fixed Deposits with companies and Intercorporate Deposits is limited because the counterparties are group companies.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the expected loss provision for all trade receivables. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the Company and individual receivable specific provision where applicable. Forward-looking information (including macro economic information) has been incorporated into the determination of expected credit losses.

There is no change in estimation techniques or significant assumptions during the reporting period.

The loss allowance provision is determined as follows:

As at 31 March 2024

₹ in Lakhs

	Not due	Less than 6 months past due	More than 6 months past due	Total
Gross carrying amount	**0.00**	**14,643.36**	**716.10**	**15,359.46**
Loss allowance provision	**0.00**	**129.72**	**387.37**	**517.09**
		14,513.64	**328.73**	**14,842.37**

As at 31 March 2023

	Not due	Less than 6 months past due	More than 6 months past due	Total
Gross carrying amount	0.00	7,215.25	859.61	8,074.86
Loss allowance provision	0.00	93.55	358.54	452.09
		7,121.70	501.07	7,622.77

Reconciliation of loss allowance provision for Trade Receivables

₹ in Lakhs

Particulars	**31-March-24**	31-March-23
Balance as at beginning of the year	**452.09**	409.89
Impairment losses recognised in the year based on lifetime expected credit losses		
– On receivables originated in the year	**65.00**	42.20
Balance at end of the year (Note 8)	**517.09**	452.09

The loss allowance provision has changed during the period due to delays in recovery of brokerage on insurance contracts brokered.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 23 - Financial Instruments (Cont)

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

₹ in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
31-March-24				
Non-interest bearing	**8,752.76**	**2,395.10**	**–**	**–**
Total	**8,752.76**	**2,395.10**	**–**	**–**
31-March-23				
Non-interest bearing	3,663.57	2,745.67	–	–
Total	3,663.57	2,745.67	–	–

(iii) Financing arrangements

The Company does not feel the need to have any borrowing facilities at this stage.

(iv) Maturities of financial assets

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

₹ in Lakhs

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial assets				
31-March-24				
Non-interest bearing	**23,704.47**	**498.97**	**–**	**–**
Fixed interest rate instruments	**35,133.35**	**14,710.00**	**–**	**–**
Total	**58,837.82**	**15,208.97**	**–**	**–**
31-March-23				
Non-interest bearing	9,286.80	1,171.43	–	–
Fixed interest rate instruments	19,750.00	28,035.00	–	–
Total	29,036.80	29,206.43	–	–

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company invests in fixed rate instruments taking into account the current liquidity requirements. All such transactions are carried out within the guidelines set by the Board of Directors.

There has been no significant changes to the company's exposure to market risk or the methods in which they are managed or measured.

Note No. 24 - Fair Value Measurement

Fair value of financial assets and financial liabilities that are not measured at fair value

₹ in Lakhs

Particulars	**31-March-24** Carrying amount	**31-March-24** Fair value	31-March-23 Carrying amount	31-March-23 Fair value
Financial assets				
Financial assets carried at Amortised Cost				
– loans to related parties	**35,525.00**	**35,525.00**	31,875.00	31,875.00
– trade and other receivables	**15,359.46**	**14,842.37**	8,074.86	7,622.77
– other financial assets	**3,575.91**	**3,575.91**	2,063.77	2,063.77
– Investment with Companies	**18,851.38**	**18,851.38**	14,950.00	14,950.00
Total	**73,311.75**	**72,794.66**	56,963.63	56,511.54

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 24 - Fair Value Measurement (Cont)

₹ in Lakhs

Particulars	31-March-24 Carrying amount	31-March-24 Fair value	31-March-23 Carrying amount	31-March-23 Fair value
Financial liabilities				
Financial liabilities held at amortised cost				
– trade and other payables	**8,377.43**	**8,377.43**	3,201.73	3,201.73
– Lease Liabilities	**2,704.99**	**2,704.99**	3,127.10	3,127.10
– other financial laibilities	**65.44**	**65.44**	80.41	80.41
Total	**11,147.86**	**11,147.86**	6,409.24	6,409.24

Fair value hierarchy as at 31st March 2024

	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial assets carried at Amortised Cost				
– loans to related parties	**–**	**35,525.00**	**–**	**35,525.00**
– trade and other receivables	**–**	**14,842.37**	**–**	**14,842.37**
– other financial assets	**–**	**3,575.91**	**–**	**3,575.91**
– fixed Deposits with companies	**–**	**18,851.38**	**–**	**18,851.38**
Total	**–**	**72,794.66**	**–**	**72,794.66**
Financial liabilities				
Financial liabilities held at Amortised Cost				
– trade and other payables	**–**	**8,377.43**	**–**	**8,377.43**
– Lease Liabilities	**–**	**2,704.99**	**–**	**2,704.99**
– other financial laibilities	**–**	**65.44**	**–**	**65.44**
Total	**–**	**11,147.86**	**–**	**11,147.86**

Fair value hierarchy as at 31st March 2023

	Level 1	Level 2	Level 3	Total
Financial assets carried at Amortised Cost				
– loans to related parties	–	31,875.00	–	31,875.00
– trade and other receivables	–	7,622.77	–	7,622.77
– other financial assets	–	2,063.77	–	2,063.77
– fixed Deposits with companies	–	14,950.00	–	14,950.00
Total	–	56,511.54	–	56,511.54
Financial liabilities				
Financial liabilities held at amortised cost				
– trade and other payables	**–**	3,201.73	**–**	3,201.73
– Lease Liabilities	**–**	3,127.10	**–**	3,127.10
– other financial laibilities	**–**	80.41	**–**	80.41
Total	–	6,409.24	–	6,409.24

The fair values of the financial assets and financial liabilities included in the level 2 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties. In the opinion of the management, the difference between the carrying value of the above stated financial assets and liabilities is not materially different from their fair value . Accordingly, the fair value and carrying amount are the same.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 25 - Leases

25.1 Company as a lessee

Following are the changes in the carrying value of Right of use asset for the year ended March 31, 2024

₹ in Lakhs

Particulars	Category of Asset Building **For the year ended 31 March 2024**	 For the year ended 31 March 2023
Balance at the beginning	**2,787.71**	1,140.44
Reclassifciation on account of adoption of Ind AS 116	**–**	–
Additions	**510.21**	2,199.05
Deletions	**535.13**	–
Depreciation	**419.33**	551.78
Balance at the end	**2,343.45**	2,787.71

Following is the movement in the lease liabilities during the year ended March 31, 2024

₹ in Lakhs

Particulars	**For the year ended 31 March 2024**	For the year ended 31 March 2023
Balance at the beginning	**3,127.10**	1,277.48
Reclassifciation on account of adoption of Ind AS 116	**–**	–
Additions	**510.21**	2,199.05
Deletions	**627.55**	–
Finance Cost accured during the year	**239.89**	193.72
Payment of lease liabilties	**544.66**	543.15
Balance at the end	**2,704.99**	3,127.10
Non Current	**2,395.10**	2,745.67
Current	**309.89**	381.43
Total	**2,704.99**	3,127.10

25.2 Depreciation and Amortisation

₹ in Lakhs

Particulars	**For the year ended 31 March 2024**	For the year ended 31 March 2023
Property, Plant & Equipment (Note 1)	**547.35**	451.68
Other Intangible Assets (Note 2)	**58.41**	23.00
Right of use Assets (Note 21)	**419.33**	551.78
Total	**1,025.09**	1,026.46

Note No. 26 - Segment information

The Company has determined the operating segment based of structure of reports reviewed by the Strategic Management Council. For management purposes, the Company is organised into a single business unit and has only one reportable segment namely “Insurance Broking Services”. The geographical segment is based on the location of client, whether in India or outside India. The Strategic Management Council of the Company monitors the operating results of its business unit for the purpose of making decisions about resource allocation and performance assessment.

₹ in Lakhs

Geographic information	**Year Ended 31 March 2024**	Year Ended 31 March 2023
Revenue from external customers		
India	**105,766.16**	39,449.69
Outside India	**–**	–
Total Income as per statement of profit and loss	**105,766.16**	39,449.69

All Non-current operating assets comprising property, plant and equipment, investment properties and intangible assets, if any are located in India.

Income from major products and services

The following is an analysis of the Company’s revenue from continuing operations from its major products and services:

₹ in Lakhs

	Year Ended 31 March 2024	Year Ended 31 March 2023
Insurance Broking And Auxillary Activities	**105,766.16**	39,449.69
Total	**105,766.16**	39,449.69

Income from transactions with a single external customer amounts to 10% or more of the entity’s revenues.

Note No. 27 - Employee benefits

(a) Defined Contribution Plan

The Company’s contribution to Provident Fund and Superannuation Fund aggregating Rs. 458.42 Lakhs (F-2023 : Rs. 468.73 Lakhs) has been recognised in the Statement of Profit and Loss under the head Employee Benefits Expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 27 - Employee benefits (Cont)

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of equity type assets, which are expected to outperform government bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more loosely correlated with inflation. However, an increase in inflation will also increase the deficit to some degree.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the Company's defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

Leave Encashment

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by acturial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid or availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

Defined benefit plans – as per actuarial valuation on 31st March, 2024 and 31st March 2023

₹ in Lakhs

Particulars	**Funded Plan Gratuity**		**Unfunded Plans Exigency leave / Earned leave**	
	2024	2023	**2024**	2023
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:				
Service Cost				
Current Service Cost	**111.19**	108.42	**111.48**	107.58
Past service cost and (gains)/losses from settlements	**–**	–	**–**	–
Net interest expense	**51.24**	41.93	**45.18**	55.03
Acquisition adjustment due to transfer out	**–**	–		
Components of defined benefit costs recognised in profit and loss	**162.43**	150.35	**156.66**	162.61
Remeasurement on the net defined benefit liability				
Return on plan assets (excluding amount included in net interest expense)	**–**	–	**–**	–
Actuarial (gains) /loss arising from changes in financial assumptions	**–**	–	**–**	–
Actuarial loss arising from experience adjustments	**73.95**	17.40	**–**	–
Others	**–**	–	**–**	–
Components of defined benefit costs recognised in other comprehensive income	**73.95**	17.40	**–**	–
Total	**73.95**	17.40	**–**	–
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March				
1. Present value of defined benefit obligation as at 31st March	**1,269.51**	1,184.18	**620.45**	602.43
2. Fair value of plan assets as at 31st March	**506.90**	500.96	**–**	–
3. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March	**(762.61)**	(683.22)	**(620.45)**	(602.43)
Current portion of the above	**221.77**	201.53	**186.49**	161.41
Non current portion of the above	**540.84**	481.69	**433.96**	441.02

Particulars	**Funded Plan Gratuity**		**Unfunded Plans Leave Encashment / Earned leave**	
	2024	2023	**2024**	2023
II. Change in the obligation during the year ended 31st March				
1. Present value of defined benefit obligation at the beginning of the year	**1,184.18**	1,160.99	**602.43**	751.76
2. Add/(Less) on account of Scheme of Arrangement/Business	**–**	–	**–**	–
Transfer	**–**	–	**–**	–
3. Expenses Recognised in Profit and Loss Account				
– Current Service Cost	**111.19**	108.42	**111.48**	107.58
– Past Service Cost	**–**	–	**–**	–
– Interest Expense (Income)	**88.81**	84.98	**45.18**	55.02

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 27 - Employee benefits (Cont)

Particulars	Funded Plan Gratuity 2024	2023	Unfunded Plans Leave Encashment / Earned leave 2024	2023
4. *Recognised in Other Comprehensive Income*				
Remeasurement gains/(losses)				
– Actuarial Gain (Loss) arising from:				
i. Demographic Assumptions	**7.06**	4.35	**0.63**	4.58
ii. Financial Assumptions	**14.91**	(14.64)	**6.89**	(5.88)
iii. Experience Adjustments	**14.41**	(15.36)	**(146.16)**	(310.63)
5. Benefit payments	**(151.05)**	(144.56)	**–**	–
6. Others	**–**	–	**–**	–
7. Present value of defined benefit obligation at the end of the year	**1,269.51**	1,184.18	**620.45**	602.43
III. Change in fair value of assets during the year ended 31st March				
1. Fair value of plan assets at the beginning of the year	**500.95**	588.23	**–**	–
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	**–**	–	**–**	–
3. *Expenses Recognised in Profit and Loss Account*				
– Expected return on plan assets	**37.59**	43.06	**–**	–
4. *Recognised in Other Comprehensive Income*				
Remeasurement (losses)				
– Actual Return on plan assets in excess of the expected return	**(37.59)**	(43.06)	**–**	–
– Others (Specify)	**–**	–	**–**	–
5. Contributions by employer (including benefit payments recoverable)	**157.00**	57.28	**–**	–
6. Recoverable/Recovered from LIC	**–**	–	**–**	–
7. Benefit payments	**(151.05)**	(144.56)	**–**	–
8. Fair value of plan assets at the end of the year	**506.90**	500.95	**–**	–
IV. The Major categories of plan assets				
– Insurer managed funds	**100%**	100%	**–**	–
V. Actuarial assumptions				
1. Discount rate	**7.22%**	7.50%	**7.22%**	7.50%
2. Expected rate of return on plan assets	**7.00%**	7.00%	**7.00%**	7.00%
3. Attrition rate	**Attrition rate of 47% up to the age of 30, 33% up to age of 44 and 19% thereafter**	Attrition rate of 51% up to the age of 30, 30% up to age of 44 and 16% thereafter	**Attrition rate of 47% up to the age of 30, 33% up to age of 44 and 19% thereafter**	Attrition rate of 51% up to the age of 30, 30% up to age of 44 and 16% thereafter

Gratuity

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Decrease in assumption
Discount rate	**2024**	**1**	**(56.36)**	**38.94**
	2023	1	(56.97)	35.99
Salary growth rate	**2024**	**1**	**38.57**	**(56.87)**
	2023	1	36.36	(59.40)
Life expectancy	**2024**	**+/- 1 year**	**Negligible**	**Negligible**
	2023	+/- 1 year	Negligible	Negligible

Leave Encashment

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Principal assumption	Year	Changes in assumption	Impact on defined benefit obligation: Increase in assumption	Decrease in assumption
Discount rate	**2024**	**1**	**(11.76)**	**22.32**
	2023	1	(27.80)	30.12
Salary growth rate	**2024**	**1**	**22.16**	**(22.20)**
	2023	1	29.97	(28.18)
Life expectancy	**2024**	**+/- 1 year**	**Negligible**	**Negligible**
	2023	+/- 1 year	Negligible	Negligible

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 27 - Employee benefits (Cont)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to previous period.

The Company expects to contribute Rs. 90 lakhs to the gratuity trusts during the next financial year of 2025.

Maturity profile of defined benefit obligation:

₹ in Lakhs

Gratuity	**2024**	2023
Within 1 year	**423.51**	411.73
1 - 2 year	**452.77**	377.79
2 - 3 year	**518.53**	415.95
3 - 4 year	**583.85**	481.06
4 - 5 year	**657.39**	520.24

₹ in Lakhs

Leave Encashment	**2024**	2023
Within 1 year	**186.70**	215.00
1 - 2 year	**236.09**	201.62
2 - 3 year	**236.04**	206.15
3 - 4 year	**244.99**	212.67
4 - 5 year	**249.27**	216.24

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

	Period Ended				
VIII. Experience Adjustments:	**2024**	**2023**	**2022**	**2021**	**2020**
	Gratuity				
1. Defined Benefit Obligation	**1,269.51**	1,184.18	1,160.99	1,197.24	1,089.09
2. Fair value of plan assets	**506.90**	500.96	588.23	584.43	466.12
3. Surplus/(Deficit)	**(762.61)**	(683.22)	(609.01)	612.82	622.97
4. Experience adjustment on plan liabilities [(Gain)/Loss]	**36.38**	(25.65)	(67.94)	(74.54)	266.85
5. Experience adjustment on plan assets [Gain/(Loss)]	**(37.57)**	(43.06)	(40.38)	(29.88)	(30.09)

The expected rate of return on plan assets is based on the average long term rate of return expected on investments of the fund during the estimated term of obligation.

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss of the expense for the year.

Note No 28 - Employees Share Based Payments (Employees Phantom Stock Option Plan 2019)

On January 18, 2019, Board of Directors approved the MIBL Employees Phantom Stock Option Plan 2019 (MIBL EPSOP 2019) for grant of stock options to the employees, within the meaning of the MIBL-EPSOP 2019 plan. The specific employees to whom the options would be granted and their eligibility criteria shall be determined by the Nomination and Remuneration Committee of the Board (Committee) from time to time on the basis of one or more factors including but not limited to longevity, total experience and role of the Employee. The options granted under EPSOP 2019 would vest after 1 (one) year but not later than the maximum vesting Period of 4 (four) years from the grant date of such options.

The Committee has prescribed the vesting schedule of the options granted under the plan, unless otherwise decided in exceptional cases like retirements:

Vesting Dates	**Vesting Percentage**
1st Anniversary from date of Grant	25% of Options granted
2nd Anniversary from date of Grant	25% of Options granted
3rd Anniversary from date of Grant	25% of Options granted
4th Anniversary from date of Grant	25% of Options granted

The Company will process vested options for settlement at each vesting date and determine appreciation in respect of all such Options with reference to Fair Market Value prevailing as on date of Vesting calculated as prescribed by MIBL EPSOP 2019. The Company recognises the fair value of the liability and expense for these plans over the vesting period based on the management's estimate of the vesting and forfeiture conditions.

Employees Phantom Stock Option Plan

Grant date	**Exercise Price**	**Total Options granted**	**Options vested and Exercisable**	**Options unvested**	**Options exercised**	**Options cancelled**	**Options outstanding**
Grant I	10.00	302,326.00	258,951.00	–	258,951.00	43,375.00	–
Grant II	10.00	4,905.00	4,905.00	–	4,905.00	–	–
Grant III	10.00	9,070.00	6,892.00	–	6,892.00	2,178.00	–
Grant IV	10.00	7,268.00	3,620.00	–	3,620.00	3,648.00	–
Grant V	10.00	2,468.00	2,468.00	–	2,468.00	–	–
Total		**326,037.00**	**276,836.00**	**–**	**276,836.00**	**49,201.00**	**–**

Movement of Phantom Stock Options during the year

Total for all grants	**No. of Options**	**Range of exercise prices Rs.**	**Weighted average exercise price Rs.**	**Weighted average remaining contractual life (Years)**
Outstanding at the beginning of the year	0	10.00	10.00	NA
Granted during the year	0			NA
Forfeited/ Lapsed during the year	0			NA
Exercised during the year	0			NA
Outstanding at the end of the year	0			NA
Exercisable at the end of the year	0			NA

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No 28 - Employees Share Based Payments (Employees Phantom Stock Option Plan 2019) (Cont)

Significant assumptions used to estimate the fair value of options granted during the year.

Variables	
1. Risk Free Interest Rate	NA
2. Expected Life	NA
3. Expected Volatility	NA
4. Dividend Yield	NA
5. Price of the underlying share in market at the time of the option grant (Rs.)	NA

Total Expenses recognised for the year ended on 31st March 2024.

The total expense recognised from share-based payment transactions (including options granted to Directors & employees of other group companies) for the year ended on 31st March 2024 is Nil Lakhs (PY. Rs. 539.12 Lakhs)

Note No. 29 - Related Party Transactions

Name of the parent Company	**: Mahindra & Mahindra Financial Services Limited**
Name of the Ultimate parent Company	**: Mahindra & Mahindra Limited**
Name of the Fellow subsidiaries	**: Mahindra Rural Housing Finance Limited**
	: Mahindra Integrated Business Solutions Limited
	: Mahindra First Choice Services Limited
	: N.B.S. International Limited
Key Management Personnel (KMP)	**: Vedanarayanan Seshadri, Managing Director**
	: Saurabh V. Dharadhar, Chief Financial Officer
	: Niranajan Karde (w.e.f. 18th Jan 2022)
Directors	**: Rajeev Dubey, Chairman**
	: Ramesh Iyer, Non Executive Director
	: Hemant Sikka, Non Executive Director
	: Jyotin Mehta, Independent Director
	: Anjali Raina, Independent Director
	: Derek Nazareth, Nominee Director (Till 15th Jan 2023)
	: Vivek Karve, Non Executive Director
	: Rajnish Agarwal, Non Executive Director (Till 8th July 2023)

Details of transaction between the Company and its related parties are disclosed below:

₹ in Lakhs

Particulars	**For the year ended**	**Parent Company and Ultimate Parent company**	**KMP/ Directors of the Company**	**Fellow subsidiaries**
<u>Nature of transactions with Related Parties</u>				
Purchase of property and other assets	31-March-24	180.27	–	38.58
including intangibles	*31-March-23*	*54.35*	–	*28.26*
Rendering of services	31-March-24	–	–	–
	31-March-23	*311.34*	–	–
Receiving of services	31-March-24	319.38	559.65	386.43
	31-March-23	*448.67*	*512.01*	*262.53*
Interest Income	31-March-24	1,587.22	–	1,842.86
	31-March-23	*1,477.75*	–	*1,575.38*
Loans given (including Fixed Deposits &	31-March-24	5,050.00	–	16,500.00
Intercorporate Deposits placed during the year)	*31-March-23*	*14,050.00*	–	*13,050.00*
Repayment of loans (including Fixed Deposits matured &	31-March-24	9,750.00	–	9,100.00
Intercorporate Deposits withdrawn during the year)	*31-March-23*	*9,365.00*	–	*16,575.00*
Dividend Paid	31-March-24	288.66	–	–
	31-March-23	*412.37*	–	–
Commission and other benefits to directors	31-March-24	–	31.00	–
	31-March-23	–	*138.78*	–
Sale of Fixed Assets	31-March-24	2.17	–	2.28
	31-March-23	–	–	*2.43*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 29 - Related Party Transactions (Cont)

Nature of Balances with Related Parties	Balance as on	Parent Company and Ultimate Parent company	KMP/Directors of the Company	Fellow subsidiaries
Trade payables	31-March-24	43.44	–	14.56
	31-March-23	*24.24*	–	*1.10*
Loans & advances given (including Fixed Deposits	31-March-24	19,950.00	–	29,575.00
and Intercorporate Deposits placed)	*31-March-23*	*24,650.00*	–	*22,175.00*
Other balances (including Trade Receivables	31-March-24	1,991.82	–	1,100.29
and Interest Accrued)	*31-March-23*	*1,170.89*	–	*618.80*

Compensation of Key Management Personnel

The remuneration of directors and other members of Key Management Personnel during the year was as follows:

₹ in Lakhs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Short-term employee benefits	**559.65**	512.01
Post-employment benefits[1]	**–**	–
Other long-term benefits[1]	**–**	–
Termination benefits	**–**	–
Share-based payment[2]	**–**	–

[1] Figures not available separately for gratuity and leave encashment

[2] Included in the Stock Option Charge paid to parent company for its Stock Options granted to Key Managerial Personnel

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

Note No. 30 - Income from contract with customers

A. Country-wise break up of Income

₹ in Lakhs

31-March-24

Country	Income from contracts with customers (Ind AS 115)	Income from operations from other than customers	Total Income from Operations	Other Income	Total Income
India	105,766.16	–	105,766.16	3,729.00	109,495.16
Total	**105,766.16**	**–**	**105,766.16**	**3,729.00**	**109,495.16**

₹ in Lakhs

31-March-23

Country	Income from contracts with customers (Ind AS 115)	Income from operations from other than customers	Total Income from Operations	Other Income	Total Income
India	39,449.69	–	39,449.69	3,200.96	42,650.65
Total	39,449.69	–	39,449.69	3,200.96	42,650.65

B. Breakup of Income into contracts entered in previous year and in current year

₹ in Lakhs

Particulars	31-March-24	31-March-23
Income from PO/ contract / agreement entered into previous year	**105,745.39**	39,369.81
Income from New PO/ contract / agreement entered into current year	**20.77**	79.88
Total Income recognised during the period	**105,766.16**	39,449.69

C. Reconciliation of Income from contract with customer

₹ in Lakhs

Particulars	31-March-24	31-March-23
Income from contract with customer as per the contract price	**105,766.16**	39,449.69
Adjustments made to contract price on account of :-		
a) Discounts / Rebates / Incentives	**–**	–
b) Sales Returns / Reversals	**–**	–
c) Deferrment of revenue	**–**	–
d) Changes in estimates of variable consideration	**–**	–
e) Recognition of revenue from contract liability out of opening balance of contract liability	**–**	–
f) Any other adjustments	**–**	–
Income from contract with customer as per the statement of Profit and Loss	**105,766.16**	39,449.69

D. Income to be recognised for performance obligation(s) not satisfied or partially satisfied at the end of the current year in respect of contracts with customer that are in place (i.e. signed agreements/Pos/Wos/ SOWs, etc) at the end of reporting period.

The company has reviewed the contract with insurers and customers and indentified claims handling services as an area that is affected by the new accounting standard. The application of new standard results in the indentifiaction of separate performance obligation for handling claims on behalf of customers as part of insurance brokerage customary business practice. The new standard requires the deferral of income recognition until the performance obligation is satisifed. Based on the results of the review, the company does not expect a material impact on the statement of profit and loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 30 - Income from contract with customers (Cont)

E. Break-up of Provision for Expected Credit Losses recognised in P&L

₹ in Lakhs

Particulars	31-March-24	31-March-23
Expected Credit loss recognised during the year on trade receivables	**65.00**	42.20
Expected Credit loss recognised during the year on contract assets	**–**	–
Expected Credit loss recognised during the year on others	**–**	–
Total	**65.00**	42.20

Note No. 31 - Income received from Insurer and Insurer's group companies

As per regulation 34 (6) of IRDAI (Insurance Brokers) Regulations, 2018, following are the details of all the incomes received from insurers and insurer's group companies

A. Details of incomes received from insurers (Top 15+ Others)

₹ in Lakhs

Particulars	Year Ended 31 March 2024
ICICI Lombard General Insurance Company Limited	**14,322.22**
Tata AIG General Insurance Company Limited	**11,161.56**
Universal Sompo General Insurance Company Limited	**10,814.35**
SBI General Insurance Company Limited	**9,221.40**
IFFCO Tokio General Insurance Company Limited	**7,995.80**
Cholamandalam MS General Insurance Company Limited	**7,252.39**
HDFC General Insurance Company Limited	**5,112.40**
Magma HDI General Insurance Company Limited	**4,918.88**
Kotak Mahindra Life Insurance Company Limited	**4,679.92**
Reliance General Insurance Company Limited	**4,609.63**
Liberty General Insurance Company Limited	**4,313.02**
Go Digit General Insurance Limited	**3,228.42**
Niva Bupa Health Insurance Company Limited	**2,329.29**
Max Life Insurance Company Limited	**2,098.66**
Future Generali Insurance Company Limited	**2,032.18**
Others	**11,620.54**
Total Revenue	**105,710.66**

₹ in Lakhs

Particulars	Year Ended 31 March 2023
Religare Health Insurance Company Limited	5,811.89
ICICI Lombard General Insurance Company Limited	4,405.26
Tata AIG General Insurance Company Limited	4,247.29
IFFCO Company Tokio General Insurance Company Limited	4,047.89
Cholamandalam MS General Insurance Company Limited	1,923.06
Reliance General Insurance Company Limited	1,914.54
Liberty Videocon General Insurance Company Limited	1,842.03
Magma HDI General Insurance Company Limited	1,399.05
Om Kotak Mahindra Life Insurance Company Limited	1,385.40
SBI General Insurance Company Limited	1,293.13
Go Digit General Insurance Limited	1,180.38
HDFC Ergo General Insurance Company Limited	1,051.33
Future Generali Insurance Company Limited	960.04
Universal Sompo General Insurance Company Limited	867.66
Max Bupa Health Insurance Company Limited	823.96
Others	5,737.29
Total Revenue	38,890.20

B. The Company has not received any income from any of the insurers' group companies.

Note No. 31 - Details of Payments received by the group companies and/or associates and/or related parties of the insurance broker from any insurer and the details thereof.

As per regulation 34 (6) of IRDAI (Insurance Brokers) Regulations, 2018, following are the details of payments received by the group companies and/or associates and/or related parties of the insurance broker from any insurer and the details thereof.

As per the information received from the group companies, payments received by Mahindra & Mahindra Financial Services Limited ("MMFSL") & Mahindra Rural Housing Finance Limited ("MRHFL")

₹ in Lakhs

Name of Insurance Company	Year Ended 31 March 2024*
Kotak Mahindra Life Insurance Company Limited	**7,832.40**
Max Life Insurance Company Limited	**6,595.53**
Niva Bupa Health Insurance Company Limited	**1,852.31**
Care Health Insurance Limited	**1,771.18**
HDFC Standard Life Insurance Company Limited	**392.45**
Reliance General Insurance Company Limited	**77.88**
Go Digit General Insurance Company Limited	**71.18**
Liberty General Insurance Company Limited	**25.96**
Cholamandalam MS General Insurance Company Limited	**24.67**
Future Generali India Insurance Company Limited	**7.68**
Bajaj Allianz General Insurance Company Limited	**3.69**
Total	**18,654.93**

* Payments are received towards usage of office space of MMFSL & MRHFL branches for display of marketing material/advertisements of insurance companies.

₹ in Lakhs

Name of Insurance Company	Year Ended 31 March 2023*
Kotak Mahindra Life Insurance Company Limited	6,592.66
Tata Aig General Insurance Company Limited	859.39
Care Health Insurance Limited	777.22
Niva Bupa Health Insurance Company Limited	769.60
Reliance General Insurance Company Limited	675.48
ICICI Lombard General Insurance Company Limited	603.94
Cholamandalam MS General Insurance Company Limited	467.86
Go Digit General Insurance Company Limited	439.64
Royal Sundaram Alliance Insurance Company Limited	238.12
Raheja QBE General Insurance Company Limited	197.32
IFFCO Tokio General Insurance Company Limited	169.92
Liberty General Insurance Company Limited	162.37
Bajaj Allianz General Insurance Company Limited	112.48
HDFC Standard Life Insurance Company Limited	94.30
Future Generali India Insurance Company Limited	69.72
Kotak Mahindra General Insurance Company Limited	4.13
Total	12,234.15

* Payments are received towards usage of office space of MMFSL & MRHFL branches for display of marketing material/advertisements of insurance companies.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 32 - Contingent liabilities and commitments

Contingent liabilities (to the extent not provided for)		**₹ in Lakhs**
	As at 31 March 2024	As at 31 March 2023
Contingent liabilities		
Tax deducted at source	**7.97**	12.90
Income tax liability	**16.61**	–

₹ in Lakhs

Particulars	**As at 31 March 2024**	As at 31 March 2023
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for:		
Commitments for the acquisition of intangible assets	**36.87**	181.48

Note No. 33 - Additional Information to the Financial Statements

33.1 Dividend

In respect of the current year, the directors propose that a dividend of Rs. 15.00 per share be paid on equity shares on 16th April 2024. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members on 21st June 2024. The total estimated equity dividend to be paid is Rs. 1546.39 lakhs.

33.2 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

₹ in Lakhs

Particulars		**31-March-24**	31-March-23
(i)	Principal amount remaining unpaid to MSME suppliers as on	**20.44**	2.33
(ii)	Interest due on unpaid principal amount to MSME suppliers as on	**–**	–
(iii)	The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	**–**	–
(iv)	The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	**–**	–
(v)	The amount of interest accrued and remaining unpaid as on	**–**	–
(vi)	The amount of interest due and payable to be disallowed under Income Tax Act, 1961	**–**	–

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

33.3 Corporate Social Responsibility (CSR)

₹ in Lakhs

Particulars	**31-March-24**	31-March-23
Amount required to be spent as per section 135 of the Act	**113.70**	132.26
Amount spent during the year on:		
(i) Construction/acquisition of an asset	**–**	–
(ii) On purpose other than (i) above	**114.18**	132.30
Total Spent	**114.18**	132.30
Shortfall at the end of year	**–**	–
Nature of CSR activities	Promoting Education & Healthcare	
Details of Related Party Transactions		
Contribution to a trust controlled by the Company in relation to CSR expenditure	**–**	–
Provision made with respect to a liability already incurred by entering into a contractual obligation	**–**	–

Note No. 34 - Ratios

Ratio	**Numerator**	**Denominator**	**As at 31 March 2024**	**As at 31 March 2023**	**% variance**	**Reason for variance**
Current Ratio	Current Assets	Current Liabilities	2.83	2.72	4%	–
Return on Equity Ratio	Profit After Tax	Avg. shareholders' equity	21%	7%	214%	Percentage increase in Profit after tax is more than percentage increase in average net-worth.
Trade Receivables Turnover Ratio	Net Sales	Avg. Trade Receivables	9.42	5.51	71%	Increase in trade receivables is on account of increase in sales due to newly introduced IRDAI expenses of management (EOM) regulations, 2023
Return on Investments	Interest and Dividend Income	Investments and ICDs	6%	7%	(3%)	–
Net Capital Turnover Ratio	Net Sales	Working Capital	266%	205%	30%	Percentage increase in net sales is more than percentage increase in working capital
Net Profit Ratio	Profit After Tax	Net Sales	12%	9%	34%	Increase in Profit after tax as compared to previous year
Return on Capital Employed	EBIT	Capital Employed	26%	9%	189%	Increase in EBIT as compared to previous year

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2024

Note No. 35 - Additional Disclosures

1. During the financial years ended 31 March 2024 and 31 March 2023, the Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person (a) repayable on demand or (b) without specifying any terms or period of repayment.
2. There is no Benami Property held or there are no proceedings initiated or pending against the company for holding any Benami Property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
3. The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.
4. There was no scheme of arrangements approved by the competent authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year.

Note No. 36 - Details of transactions with Struck off companies

Name of the Struck off Company	Nature of transactions with struck off company	Relationship with struck off company	Balance as at 31 March 2024	Balance as at 31 March 2023
		NIL		

Note No. 37 - Previous year figures

– Previous year figures have been regrouped /reclassified wherever found necessary.

The accompanying statement of accounting policies and notes 1 to 37 are an integral part of the Financial Statements.

As per our report of even date
For Mukund M. Chitale & Co.
Chartered Accountants
Firm Regn No. 106655W

Saurabh M. Chitale
Partner
Membership No. 111383

Place: Mumbai
Date: April 16, 2024

For and on behalf of the Board of Directors

Rajeev Dubey
Chairman
DIN: 00104817

Ramesh Iyer
Director
DIN: 00220759

Vivek Karve
Director
DIN: 06840707

Hemant Sikka
Director
DIN: 00922281

Jyotin Mehta
Director
DIN: 00033518

Anjali Raina
Director
DIN: 02327927

Vedanarayanan Seshadri
Managing Director & Principal Officer
DIN: 08864477

Niranjan Karde
Company Secretary
Mem No.: ACS 26372

Saurabh V. Dharadhar
Chief Financial Officer & Ethics Officer

Place: Mumbai
Date: April 16, 2024