



**V. SANKAR AIYAR & CO.**  
CHARTERED ACCOUNTANTS

Satyam Cinema Complex, Ranjit Nagar Community Centre, New Delhi – 110 008  
Flat No. | 202, 203 | Tel. (011) 25702691, 25704639, 43702919  
& 301 | Tel. (011) 25705233, 25705232  
E-mail : [newdelhi@vsa.co.in](mailto:newdelhi@vsa.co.in)

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF Zuari Insurance Brokers Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Zuari Insurance Brokers Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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

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

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



## Opinion

In our opinion and to the best of our information and knowledge and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its profit and its cashflows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in the paragraphs 3 and 4 of the said Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which could impact its financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts during the year and therefore the question of making provisions for material losses in such contracts does not arise.
    - iii. There were no amounts, which were required to be transferred during the year to the Investor Education and Protection Fund by the Company.
3. As required by Regulation 29(6) of the Insurance Regulatory Authority of India (Insurance Brokers) Regulation 2013, on the basis of our examination and information and explanations obtained by us, we confirm that the regulations have been complied with to the extent applicable.

**For V. Sankar Aiyar & Co.**  
**Chartered Accountants**  
**ICAI Firm Regn. No. 109208W**

**Place : New Delhi**  
**Dated: .....05.2016**

**V. Rethinam**  
**(Partner)**  
**Membership No. 010412**



**“Annexure A” referred to in the Independent Auditors’ report to the shareholders of Zuari Insurance Brokers Limited on the accounts for the year ended 31<sup>st</sup> March, 2016.**

- i a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The management has physically verified most of the fixed assets at the year end. Having regard to the size of company and nature of its assets the frequency of verification at year end which, in our opinion, is reasonable. No material discrepancies were noticed on such verification.
- c) The Company does not own any immovable properties and hence the provisions of Clause 3(i)(c) are not applicable
- ii The Company does not carry inventories of nature covered by Accounting Standard-2. Therefore, Clause 3(ii) of the order is not applicable to the Company.
- iii The Company has not granted any loans during the year, secured or unsecured, to companies, firms, limited liability partnerships or other parties required to be covered in the register maintained under section 189 of the Act. Therefore, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable.
- iv In our opinion and according to the information and explanations given to us and the representation obtained from the management (i) the Company has not granted any loans to any of its directors or any other person to whom director is interested or given guarantee or provided any security in connection with any loan taken by him or such other person within the meaning of section 185 of the Act and (ii) the Company has not given any loan, given any guarantee or provided any security and acquired securities within the meaning of section 186 of the Act.
- v The Company has not accepted deposits during the year from the public within the provisions of section 73 or any other provisions of the Companies Act, 2013 and the Rules framed there under.
- vi The Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in respect of Company’s activities.
- vii a) According to the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, service tax and any other statutory dues with the appropriate authorities. There were no arrears of undisputed statutory dues as at 31<sup>st</sup> March, 2016, which were outstanding for a period of more than six months from the date they became payable. We are informed that there is no liability towards duty of customs, duty of excise and cess for the year under audit.
- viii The Company has not taken any loans or borrowings from a financial institution, bank, government or debenture holders. Therefore, the question of default in repayment of dues does not arise.
- ix According to the information and explanations given to us, the Company has not raised money by way of initial / further public offer or taken any term loans during the year.
- x Based on the audit procedure performed and the representation obtained from the management, we report that no case of fraud by the Company or by its officers or employees on the Company has been noticed or reported during the year under audit.
- xi According to the information and explanations given to us, the Company has not paid or provided any managerial remuneration within the meaning of section 197 of the Act. Therefore, the provisions of clause 3(xi) of the Order are not applicable.



- xii The Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable.
- xiii According to the information and explanations given to us and the representation obtained from the management, the Company has complied with section 188 of the Act in respect of transactions with related parties and the details have been disclosed in the financial statements as required by the applicable standards. The Company is not required to form Audit Committee under section 177 of the Act, Therefore, the provisions of clause 3(xiii) with respect to section 177 of the Order are not applicable.
- xiv During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, the provisions of clause 3(xiv) of the Order are not applicable.
- xv According to the information and explanations given to us and the representation obtained from the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause 3(xv) of the Order are not applicable.
- xvi In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

**For V. Sankar Aiyar & Co.  
Chartered Accountants  
ICAI Firm Regn. No. 109208W**

**Place : New Delhi  
Dated: .....05.2016**

**V. Rethinam  
(Partner)  
Membership No. 010412**



**“Annexure B” referred to in the Independent Auditors’ report to the shareholders of Zuari Insurance Brokers Limited on the accounts for the year ended 31<sup>st</sup> March, 2016.**

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

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

**Auditors’ Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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



### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For V. Sankar Aiyar & Co.  
Chartered Accountants  
ICAI Firm Regn. No. 109208W**

**Place: New Delhi  
Dated: .....05.2016**

**V. Rethinam  
(Partner)  
Membership No. 010412**



**ZUARI INSURANCE BROKERS LIMITED**  
**Balance Sheet as at 31 March 2016**

(Amount in Rupees)

	Note No.	As at March 31, 2016	As at March 31, 2015
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' funds</b>			
Share capital	3	2,75,00,000	2,75,00,000
Reserves & surplus	4	(6,02,404)	(12,69,121)
		<b>2,68,97,596</b>	<b>2,62,30,879</b>
<b>Non current liabilities</b>			
Long term provisions	5	1,62,629	1,23,968
		<b>1,62,629</b>	<b>1,23,968</b>
<b>Current liabilities</b>			
Trade payables	6	5,40,069	4,03,350
Other current liabilities	7	2,07,651	1,33,034
Short term provisions	5	3,76,551	2,11,695
		<b>11,24,271</b>	<b>7,48,079</b>
<b>Total</b>		<b>2,81,84,496</b>	<b>2,71,02,926</b>
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	8	4,10,428	21,42,974
Intangible assets		95,212	2,33,130
Long term loans & advances	9	46,16,550	63,39,994
Non-current Investments	10	75,00,000	-
Other non-current assets	13	30,52,113	74,10,065
		<b>1,56,74,303</b>	<b>1,61,26,163</b>
<b>Current assets</b>			
Trade receivables	11	22,40,695	76,67,129
Cash & cash equivalents	12	64,77,219	17,36,372
Short term loans & advances	9	37,92,279	15,73,262
		<b>1,25,10,193</b>	<b>1,09,76,763</b>
<b>Total</b>		<b>2,81,84,496</b>	<b>2,71,02,926</b>

Significant Accounting Policies 1  
Other notes forming part of the financial statements 2

As per our report of even date

For V. Sankar Aiyar & Co.  
Chartered Accountants  
FRN 109208 W

For and on behalf of the Board

V. Rethinam  
Partner  
M No.10412

R. S. Raghavan  
Director  
(DIN-00362555)

Vijay Kathuria  
Director  
(DIN-00338125)

Place: New Delhi  
Date:



**ZUARI INSURANCE BROKERS LIMITED****Statement of Profit and Loss for the Year ended 31 March 2016**

(Amount in Rupees)

	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>REVENUE</b>			
Revenue from operations	14	2,31,37,984	3,40,79,538
Other income	15	9,10,863	5,14,518
<b>Total Revenue</b>		<b>2,40,48,847</b>	<b>3,45,94,056</b>
<b>EXPENSES</b>			
Employee benefits expense	16	1,30,83,121	1,28,85,279
Other expenses	17	93,41,170	59,10,651
<b>Total Expenses</b>		<b>2,24,24,291</b>	<b>1,87,95,930</b>
<b>Earnings before interest, tax, depreciation and amortization (EBITDA)</b>		<b>16,24,556</b>	<b>1,57,98,126</b>
Depreciation & amortization expenses	18	7,82,239	9,21,522
Finance costs	18	-	-
<b>Profit/ (Loss) for the year before tax</b>		<b>8,42,317</b>	<b>1,48,76,604</b>
<b>Tax Expense</b>			
Current tax		1,75,600	28,53,000
<b>Total tax expense</b>		<b>1,75,600</b>	<b>28,53,000</b>
<b>Profit/(Loss) for the year after tax carried to Balance Sheet</b>		<b>6,66,717</b>	<b>1,20,23,604</b>
Earnings per equity share {nominal value of share Rs.10/- (March 31, 2015 - Rs.10/-)} Basic & diluted		0.24	4.37
<b>As per our report of even date</b>			
For V. Sankar Aiyar & Co. Chartered Accountants FRN 109208 W		For and on behalf of the Board	
V. Rethinam Partner M No.10412		R. S. Raghavan Director (DIN-00362555)	Vijay Kathuria Director (DIN-00338125)
Place: New Delhi Date:			





**ZUARI INSURANCE BROKERS LIMITED****Cash Flow Statement for the year ended March 31, 2016**

(Amount in Rupees)

	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>A) Cash Flow from Operating Activities</b>		
Net Profit/ (Loss) before tax as per Statement of Profit & Loss	6,66,717	1,20,23,604
Adjustments for:		
Depreciation	7,82,239	9,21,522
Interest Income	(6,76,057)	(3,36,581)
Loss on Write off of Assets	10,72,060	75,178
Operating Profit/ (Loss) before working capital changes	18,44,959	6,60,119
Adjustment for changes in Working Capital		
(Increase)/ Decrease in Trade Receivables	54,26,431	(19,10,616)
(Increase)/ Decrease in other Receivables	12,767	(9,23,081)
Increase/ (Decrease) in Trade and other payables	4,14,853	(13,53,884)
Less: Income Tax Paid recoverable or adjustable (Net)	(6,50,388)	(41,87,581)
<b>Net Cash used in Operating Activities</b>	<b>70,48,623</b>	<b>81,90,532</b>
<b>B) Cash Flow from Investing Activities</b>		
Interest Income	6,76,057	3,36,581
Sale of Assets	72,060	-
Purchase of Fixed Assets	(55,893)	(44,625)
<b>Net Cash from Investing Activities</b>	<b>6,92,224</b>	<b>2,91,956</b>
<b>C) Cash Flow from Financial Activities</b>		
Investments Made	(75,00,000)	-
Share application money pending allotment refunded	-	(25,00,000)
	<b>(75,00,000)</b>	<b>(25,00,000)</b>
Net Increase/ (Decrease) in cash and cash Equivalents (A+B+C)	2,40,847	59,82,488
Cash & Cash Equivalents as at the beginning of the year	84,36,372	24,53,884
Cash & Cash Equivalents as at the end of the year	<b>86,77,219</b>	<b>84,36,372</b>

**Note:**

Closing balance as on March 31, 2016 includes deposits of Rs. 22,00,000/- (Previous year- Rs. 22,00,000/-) under lien and not available for use.

**Annexure to our report of date**

For V. Sankar Aiyar & Co.  
Chartered Accountants  
FRN 109208 W

For and on behalf of the Board

V. Rethinam  
Partner  
M No.10412

R. S. Raghavan  
Director  
(DIN-00362555)

Vijay Kathuria  
Director  
(DIN-00338125)

Place: New Delhi  
Date:



## **ZUARI INSURANCE BROKERS LIMITED**

### **Notes to financial statements for the year ended March 31, 2016**

#### **CORPORATE INFORMATION**

Zuari Insurance Brokers Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. It was incorporated on February 11, 2003. The Company is licensed by IRDA to act as Direct Broker for Life and Non-Life Insurance.

#### **1. ACCOUNTING POLICIES**

##### **i) ACCOUNTING CONVENTION**

These financial statements are prepared under historical cost convention, on a going concern basis, in accordance with applicable Accounting Standards.

##### **ii) USE OF ESTIMATES**

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amount reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialize.

##### **iii) FIXED ASSETS & DEPRECIATION**

- i. Fixed Assets are measured as per Cost Model i.e. at cost of acquisition less accumulated depreciation / amortization and impairment losses, if any. All significant costs incidental to the acquisition of assets are capitalized.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on the existing fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

Gains or losses arising from de recognition of tangible assets are measured as the difference between the net disposable proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

- ii. The company is providing depreciation in line with the requirement of part C of schedule II of the Companies Act, 2013. The Company continues to follow straight line method of depreciation. In respect of additions to Fixed Assets, depreciation is calculated on prorata basis from the date on which Asset is put to use.
- iii. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangibles representing computer software are amortized using the straight line method over their estimated useful life of three years.



## **ZUARI INSURANCE BROKERS LIMITED**

### **Notes to financial statements for the year ended March 31, 2016**

iv. Fixed assets whose value is less than Rs. 5000/- are depreciated fully in the year of purchase.

#### **iv) INVESTMENTS**

Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as Long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges as brokerage, fees and duties. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. On disposal of investments, the difference between its carrying amount and net disposal proceeds is charged to the Statement of Profit and Loss.

#### **v) STAFF BENEFITS**

Regular contributions towards government provident fund, family pension, employee state insurance, are charged to revenue. For the current year provisions for gratuity and leave encashment are made on the basis of actuarial valuation. Till last year provision was made on best estimate.

#### **vi) REVENUE RECOGNITION**

Income from services rendered is recognized when completed or based on agreements with parties. Interest income is recognized on time proportion basis.

#### **vii) DEFERRED TAX**

In accordance with Accounting Standard 22 - Taxes on Income, deferred tax is recognized subject to consideration of prudence, being difference between accounting and taxable income that originates in one year and capable of reversal in subsequent years.

#### **viii) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and reliable estimate can be made of the amount of obligation. A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation cannot be made.

#### **ix) LEASES – OPERATING LEASES**

Office premises are held on operating lease. The premise is under sub lease agreement for 3 years. There is no escalation clause in the agreement. There are no restrictions imposed by Sub lease agreement. Lease payments made during the period (net of recovery) amount to Rs. 27,72,127/- (previous year- Rs. 13,67,999/-).



**ZUARI INSURANCE BROKERS LIMITED****Notes to financial statements for the year ended March 31, 2016****2. OTHER NOTES ON ACCOUNTS****i) Employee Benefits (AS – 15 Revised)**

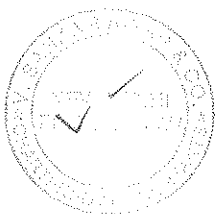
The Company has obtained valuation report from an Actuary. The following data is given from the report of the Actuary.

**a) Changes in the present value of obligation****(in Rs.)**

S.No	Particulars	Gratuity (Unfunded)	Leave Encashment (Unfunded)
a)	Present value of obligation as at the beginning of the period	73,567	2,28,207
b)	Interest cost	6,069	18,827
c)	Current service cost	59,375	1,42,616
d)	Benefits paid	-	(43,680)
e)	Actuarial (gain)/loss on obligation	23,618	30,581
f)	Present value of obligation as at the end of period	1,62,629	3,76,551

**ii) Expense recognized in the statement of profit and loss****(in Rs.)**

S.No	Particulars	Gratuity (Unfunded)	Leave Encashment (Unfunded)
a)	Current service cost	59,375	1,42,616
b)	Interest cost	6,069	18,827
c)	Net actuarial (gain)/ loss recognized in the period	23,618	30,581
d)	Expenses recognized in the statement of profit & losses	89,602	1,92,024



**ZUARI INSURANCE BROKERS LIMITED****Notes to financial statements for the year ended March 31, 2016****iii) Economic Assumptions**

S.No	Particulars	Gratuity	Leave Encashment
1.	Discounting rate	8%	8%
2.	Future salary increase	9% - 2016-17 & 17-18; 7.5%-2018-19 onwards	9% - 2016-17 & 17-18; 7.5%-2018-19 onwards

**ii) Segment reporting under Accounting Standard – 17**

The Company's business activities fall broadly within a single primary business segment namely Insurance Broking Services and therefore there is no reportable segment as per the provisions of Accounting Standards 17 – Segment Reporting.

**iii) Related Party Disclosures under Accounting Standard – 18****I. List of related parties as identified by the management is as under:**

- a) Holding Company : Zuari Investments Limited  
b) Ultimate Holding Company : Zuari Global Limited  
c) Fellow Subsidiaries : Zuari Commodity Trading Limited  
: Gobind Sugar Mills Limited

**iv) Transactions with the related parties during the year:****(a) Zuari Investments Limited**

Nature of transactions	2015-16 (Rs.)	2014-15 (Rs.)
Opening balance as on April 1	Nil	Nil
Share Application money	Nil	(25,00,000)
Rent Received	Nil	7,46,669
Rent Paid	7,15,503	50,000
Asset Transferred	9,060	Nil
Payment made on behalf of ZIL	31,996	5,75,853
Payment made by ZIL on behalf of ZIBL	7,37,442	6,59,560
Salary paid	34,41,921	5,45,383
Closing balance as on March 31	Nil	Nil



**ZUARI INSURANCE BROKERS LIMITED****Notes to financial statements for the year ended March 31, 2016****(b) Gobind Sugar Mills Limited**

Nature of transactions	2015-16 (Rs.)	2014-15 (Rs.)
Opening balance as on April 1	Nil	Nil
Investments made in 7% NCRPS of GSML	75,00,000	Nil
Closing balance as on March 31 ( Excluding Investments)	Nil	Nil

**(c) Mr. Rajesh Kakkar (Principal Officer)**

Nature of Transaction	2015-16 (Rs.)	2014-15 (Rs.)
Salary Paid	17,19,264	14,84,787

**v) Basic and Diluted Earning per share as per Accounting Standard - 20**

Particulars	Year ended Feb 29, 2016	Year ended March 31, 2015
Net Profit / (loss) after tax (Rs.)	6,66,717	1,20,23,604
Weighted average number of equity shares	27,50,000	27,50,000
Face value per share (Rs.)	10	10
Basic and diluted earning per share (Rs.)	0.24	4.37

**vi) Deferred tax (Liability)/ Assets as at March 31, 2016 (AS - 22) consists of****(in Rs.)**

Particulars	March 31, 2015	For the year	March 31, 2016
Book/Tax Depreciation difference	(40,000)	4,43,000	4,03,000
Provision for Leave Encashment/Gratuity	1,04,000	63,000	1,67,000
<b>Net Deferred Tax (Liability) / Assets for the year</b>	<b>64,000</b>	<b>5,06,000</b>	<b>5,70,000</b>

Since the net position reflects deferred tax asset, the same has not been recognized as a matter of prudence.



**ZUARI INSURANCE BROKERS LIMITED**

**Notes to financial statements for the year ended March 31, 2016**

- vii) For the financial years 2011-12 and 2014-15 the Company paid income tax u/s 115 JB of the Act (MAT) amounting to Rs. 23,52,099/- . Mat credit amounting to Rs.6,39,740/- has been adjusted against the tax liability for the current year. The Company is entitled for MAT Credit for the tax so paid within a period of 10 years as per the provisions of the Act.
- viii) Particulars of Loans & Investments as required u/s 186(4) of the Companies Act,2013 :-Refer Note 9 & 10.
- ix) Previous year figures have been regrouped wherever considered necessary to correspond to current year figures.



**ZUARI INSURANCE BROKERS LIMITED****Notes to financial statements for the Year ended 31 March 2016**

	(Amount in Rupees)	
	As at March 31, 2016	As at March 31, 2015
<b>3. Share capital</b>		
<b>Authorised</b>		
30,00,000 Equity shares of Rs. 10/- each	<u>3,00,00,000</u>	<u>3,00,00,000</u>
<b>Issued</b>		
27,50,000 Equity shares of Rs. 10 each	<u>2,75,00,000</u>	<u>2,75,00,000</u>
<b>Subscribed and Paid-up</b>		
27,50,000 Equity shares of Rs. 10 each, fully paid up	<u>2,75,00,000</u>	<u>2,75,00,000</u>

**a) Reconciliation of Shares Outstanding at the beginning and end of the reporting year**

Equity Shares	March 31, 2016		March 31, 2015	
	in Numbers	Rupees	in Numbers	Rupees
At the beginning of the year	27,50,000	2,75,00,000	27,50,000	2,75,00,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	<u>27,50,000</u>	<u>2,75,00,000</u>	<u>27,50,000</u>	<u>2,75,00,000</u>

**b) Terms/Rights Attached to equity Shares**

The Company has only one class of equity shares having a par value of Rs.10/- Share. Each share holder of equity shares is entitled to one vote per share.

**c) Details of Share Holders holding more than 5% of shares in the Company**

Name of Shareholder	March 31, 2016		March 31, 2015	
	No. of Shares held	% Holding	No. of Shares held	% Holding
Zuari Investments Limited (Holding Company)	27,50,000	100	27,50,000	100

**4. Reserves & surplus**

<b>Surplus / (Deficit)</b>			
Balance as per last financial statements		(12,69,121)	(1,32,92,725)
Net Profit/(Loss) for the current year		6,66,717	1,20,23,604
		<u>(6,02,404)</u>	<u>(12,69,121)</u>

**5. Provisions**

	Long-Term		Short-Term	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>Provision for employee benefits</b>				
- Gratuity	1,62,629	1,23,968	-	-
- Leave benefits	-	-	3,76,551	2,11,695
	<u>1,62,629</u>	<u>1,23,968</u>	<u>3,76,551</u>	<u>2,11,695</u>





**ZUARI INSURANCE BROKERS LIMITED****Notes to financial statements for the year ended March 31, 2016**

	(Amount in Rupees)	
	As at March 31, 2016	As at March 31, 2015
<b>6. Trade payables</b>		
Trade payables	5,40,069	4,03,350
	5,40,069	4,03,350

The Company has not received any information from parties regarding their registration under Micro, Small and Medium Enterprises (Development) Act, 2006. In the circumstances, disclosures relating to amount remaining unpaid as at the year end together with interest, if any, payable under the Act are not ascertainable.

**7. Other current liabilities**

Statutory dues	2,07,651	1,33,034
	2,07,651	1,33,034

**8. Fixed assets**

Refer Annexure

**9. Loans and advances****Unsecured, considered good**

	March 31, 2016		March 31, 2015	
	Non Current	Current	Non Current	Current
Security deposits	6,42,094	-	6,81,594	-
Advance Tax & Income tax deducted at source (net of provisions)	39,74,456	26,39,942	56,58,400	3,05,610
Other advances recoverable in cash or in kind	-	11,52,337	-	12,67,652
	46,16,550	37,92,279	63,39,994	15,73,262

**10. Non Current Investments**

	No.s		
Gobind Sugar Mills Limited (of Rs.10/- each)			
7% Non Cumulative Non convertible preference shares, Series-XV redeemable in one single lot after expiry of the 12th year from the date of allotment (06.07.2015)	7,50,000	7500000	-
		75,00,000	-

**11. Trade receivables**

Trade receivables-Unsecured, Considered good		
--Outstanding for a year exceeding six months --from due date	8,90,004	63,743
--Other Receivables	13,50,691	76,03,386
	22,40,695	76,67,129

**12. Cash and cash equivalents**

	March 31, 2016		March 31, 2015	
	Non Current	Current	Non Current	Current
a. Cash in hand	-	61,256	-	65,663
b. Balances with banks				
-in Current accounts	-	64,15,963	-	16,70,709
- in deposit accounts*	22,00,000	-	22,00,000	-
- deposits with more than 12 months of maturity	-	-	45,00,000	-
	22,00,000	64,77,219	67,00,000	17,36,372

\* Under lien to IRDA Rs. 22,00,000/- (Previous Year- Rs. 22,00,000/-)

**13. Other Non Current Assets**

Non current bank balances	22,00,000	67,00,000
Interest accrued on deposits	8,52,113	7,10,065
	30,52,113	74,10,065



**ZUARI INSURANCE BROKERS LIMITED**

Notes to financial statements for the year ended March 31, 2016

	(Amount in Rupees)	
	Year Ended March 31, 2016	Year Ended March 31, 2015
<b>14.Revenue from operations</b> (Refer Note no. 1(vi) for revenue recognition)		
Brokerage income	2,31,37,984	3,40,79,538
	<b>2,31,37,984</b>	<b>3,40,79,538</b>
<b>15.Other income</b>		
Interest on bank deposits	6,76,057	3,36,581
Miscellaneous income	51,739	28,418
Excess provision written back	15,814	1,34,219
Interest on income tax Refund	1,56,520	-
Notice period recovery	10,733	15,300
	<b>9,10,863</b>	<b>5,14,518</b>
<b>16.Employee benefits expense</b> (Refer Note no. 1(v) on employee benefits)		
Salaries and allowances	90,64,511	70,96,366
Contribution to Provident and other funds	2,80,830	2,86,229
Gratuity and leave encashment (Includes Rs.52,780/- paid during the year)	2,56,297	2,18,166
Staff welfare	3,38,508	2,94,006
Outsource Salary	31,42,975	49,90,512
	<b>1,30,83,121</b>	<b>1,28,85,279</b>
<b>17.Other expenses</b>		
Rent ( Net of Recovery)	27,72,127	13,67,999
Data Charges	-	73,415
Fees & other charges to IRDA	1,00,000	1,00,000
Penalty paid to IRDA	-	8,00,000
Interest on service tax	5,344	2,112
Rates & Taxes	3,600	21,600
Communication	4,06,835	7,60,661
Printing and Stationery	56,179	7,83,317
Fees and Subscription	15,222	49,545
Loss on sale / written off of assets	10,72,060	75,178
Travelling and Conveyance	5,80,556	7,47,827
Miscellaneous	30,387	75,902
Insurance	1,76,132	94,949
Computer Repair & Maintenance	1,36,663	79,744
Legal and Professional	18,690	10,780
Payment to the auditors*	1,85,000	1,85,000
Office Repair & Maintenance	11,28,345	6,82,622
Bad Debts-Written off	26,54,030	-
	<b>93,41,170</b>	<b>59,10,651</b>
<b>*Payments to the Auditors(excluding Service Tax)</b>		
Audit fee	1,25,000	1,00,000
Advisory Services	-	25,000
Tax Audit Fee	50,000	40,000
Other Services (Certification Fess)	10,000	20,000
	<b>1,85,000</b>	<b>1,85,000</b>
<b>18. Depreciation &amp; amortization expenses</b>		
-- Tangible assets	6,44,321	7,18,120
-- Intangible assets	1,37,918	2,03,402
	<b>7,82,239</b>	<b>9,21,522</b>

For V. Sankar Aiyar & Co.  
Chartered Accountants  
FRN 109208 W

For and on behalf of the Board

V. Rethinam  
Partner  
M No.10412



R. S. Raghavan  
Director  
(DIN-00362555)

Vijay Kathuria  
Director  
(DIN-00338125)

Place: New Delhi  
Date:

**ZUARI INSURANCE BROKERS LIMITED****Annexure****Notes to financial statements for the year ended March 31, 2016****Note8. Fixed assets** (Amount in Rs.)

S. No.	Particulars	Tangible			Intangible	
		Office Equipments/ Computers	Leasehold Improvements	Total	Softwares	Grand Total
a	<b>Cost</b>					
	As at 01.04.2015	28,75,634	19,06,344	47,81,978	4,12,625	51,94,603
	Additions	55,893	-	55,893	-	55,893
	Disposals	58,107	16,83,174	17,41,281	-	17,41,281
	As at 31.03.2016	28,73,420	2,23,170	30,96,590	4,12,625	35,09,215
b	<b>Depreciation</b>					
	As at 31.03.2015	21,88,307	4,50,697	26,39,004	1,79,495	28,18,499
	Charge for the Year	4,71,899	1,72,422	6,44,321	1,37,918	7,82,239
	Written back	49,050	5,48,113	5,97,163	-	5,97,163
	As at 31.03.2016	26,11,156	75,006	26,86,162	3,17,413	30,03,575
c	<b>Net Block</b>					
	As at 31.03.2016	2,62,264	1,48,164	4,10,428	95,212	5,05,640
	As at 31.03.2015	6,87,327	14,55,647	21,42,974	2,33,130	23,76,104

Refer Note No. 1 (iii) for Fixed assets and depreciation

