

# **JAGDISH CHAND & CO.**

## **CHARTERED ACCOUNTANTS**

H-20, LGF, GREEN PARK (MAIN), NEW DELHI- 110 016, INDIA  
Phones: 26511953, 26533626, 41759467 Fax: 26533626 email: [mail@jcandco.org](mailto:mail@jcandco.org)

### **INDEPENDENT AUDITOR'S REPORT**

**To the Members of ALMONDZ INSURANCE BROKERS PRIVATE LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **ALMONDZ INSURANCE BROKERS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of 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 others 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 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 auditors 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 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 March 2016 and its cash flows for the year ended on that date.



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**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government 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 the paragraph 3 and 4 of the order.
2. Attention is draw to note no 2.23 regarding highlights of scheme of amalgamation of Almondz Reinsurance Brokers Private Limited (ARBPL). These accounts have been prepared by effecting the said scheme of amalgamation w.e.f. April 01, 2014, being the appointed date, which has been approved by the Hon'ble High Court of Delhi Vide Order dated November 6, 2015 in CP No 178/2015 and becoming effective from 22nd December 2015, being the date of filling the said order of high court with Registrar of Companies.
3. 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 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 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'; and
  - (g) With respect to the other matters to be included in Auditors' 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 explanation given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements Refer Note 2.22 to the financial statement,
    - ii. In our opinion and as per the information and explanations provides to us, the Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses, and
    - iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For Jagdish Chand & Co.  
Chartered Accountants  
Firm Registration No: 000129N

(CA Ravi Goel)  
Partner  
M. No. 078748  
Place: New Delhi  
Date: 12.07.2016



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**ANNEXURE-A TO THE INDEPENDENT AUDITORS'REPORT:**

The Annexure referred to in our Independent Auditor' Report to the members of the Company on the financial statements for the year ended 31<sup>st</sup> march 2016, we report that:

- i. a). The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b). All the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.  
c). According to the information and explanation given to us, company does not have any immovable properties, the requirement on reporting whether title deeds held in the name of the company is not applicable.
- ii. The Company is Service Company, primarily rendering insurance and reinsurance broking services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- iii. According to the information and explanation given to us, the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, the sub-clauses (a) (b) and (c) are not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, the company has not granted loans or made any investments, or provided any guarantees or securities to the parties covered under section 185 and 186 of the Act. Thus, paragraph 3 (iv) of the Order is not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits in terms of directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act, for any of services rendered by the company.
- vii. a). According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Value added tax, Cess, Professional tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Value added tax, Cess, Professional tax and other material statutory dues were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.



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- b). According to the information and explanations given to us, there are no dues in respect of Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Value added tax or Cess which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to any financial institution or bank as at the balance sheet date.
- ix. According to the information and explanations given to us, the company has not raised any money by way of initial public offer or further public offer and terms loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the company, the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transaction have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 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 transaction with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For Jagdish Chand & Co.  
Chartered Accountants  
Firm Registration No: 000129N

(CA Ravi Goel)  
Partner  
M. No. 078748



Place: New Delhi  
Date: 12.07.2016



## JAGDISH CHAND & CO. CHARTERED ACCOUNTANTS

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### **Annexure B to the Auditor's Report**

Report on the Internal Financial Controls Under the Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of Almondz Insurance Brokers Private Limited ('the Company') as of 31 March 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 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 the company's policies, the safeguard 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over financial Reporting (the 'Guidance Note') and the standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 over financial reporting were 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 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 judgment, 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 systems 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 transaction and dispositions of the assets of the company; (2) provide reasonable assurance that transaction are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorization of the Management and directors of the company; and (3) provide reasonable assurance



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regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effects on the financial statements.

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

Because of the inherent limitation 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 31 march 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the institute of Chartered Accountants of India.

**For Jagdish Chand & Co.**  
**Chartered Accountants**  
**Firm Registration No: 000129N**

  
**(CA Ravi Goel)**  
**Partner**  
**M. No. 078748**



**Place: New Delhi**  
**Date: 12.07.2016**

**ALMONDZ INSURANCE BROKERS PRIVATE LIMITED**  
(CIN No U74999DL2003PTC119593)  
**BALANCE SHEET AS AT 31ST MARCH 2016**

PARTICULARS	Note	Amount in Rs.	
		AS AT 31.03.2016	AS AT 31.03.2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. SHAREHOLDERS' FUNDS</b>			
a) Share Capital	2.01	27,000,000	18,000,000
b) Reserves & surplus	2.02	266,755,985	119,899,590
		<u>293,755,985</u>	<u>137,899,590</u>
<b>2. NON-CURRENT LIABILITIES</b>			
a) Long term borrowings	2.03	2,231,369	1,042,636
b) Long term provisions	2.05	30,260,827	14,518,325
		<u>32,492,196</u>	<u>15,560,961</u>
<b>3. CURRENT LIABILITIES</b>			
a) Trade payables	2.06	3,380,813	3,425,859
b) Other current liabilities	2.07	262,161,786	10,274,204
c) Short term provisions	2.08	192,271,549	32,135,115
		<u>457,814,148</u>	<u>45,835,178</u>
<b>Total - Equity And Liabilities</b>		<u>784,062,329</u>	<u>199,295,729</u>
<b>II. ASSETS</b>			
<b>1. NON-CURRENT ASSETS</b>			
a) Fixed Assets	2.09		
i Tangible assets		25,158,870	7,834,683
ii Intangible assets		1,738,982	810,551
iii Intangible assets under development		347,550	-
b) Non-current investments	2.10	-	20,240,600
c) Deferred tax assets (net)	2.04	12,318,533	6,393,682
d) Long-term loans and advances	2.11	51,657,017	57,002,059
e) Other non-current assets	2.12	5,575,178	1,891,826
		<u>96,796,130</u>	<u>94,173,401</u>
<b>2. CURRENT ASSETS</b>			
a) Trade receivables	2.13	53,751,733	51,404,608
b) Cash and bank balances	2.14	618,049,739	41,295,635
c) Short-term loans and advances	2.15	13,516,661	12,123,390
d) Other current assets	2.16	1,948,066	298,695
		<u>687,266,199</u>	<u>105,122,328</u>
<b>Total Assets</b>		<u>784,062,329</u>	<u>199,295,729</u>

Significant Accounting Policies & Notes on Accounts 1 & 2

The accompanying notes are an integral part of these financial statements.

As per our report of even date

For Jagdish Chand & Co.

Chartered Accountants

Firm's Registration Number: 000129N

CA Ravi Goel

Partner

M. No. 078748

Place : New Delhi

Date : 12/07/2016



For and on behalf of Board of Directors

Rohit Jain  
Managing Director  
[DIN 00008596]

Vijay Kumar Suri  
Wholtime Director  
[DIN 01516436]

Ajay Singla  
Finance Controller  
[M.No.501061]

Shweta Gupta  
Company Secretary  
[M.No.ACS21628]

**ALMONDZ INSURANCE BROKERS PRIVATE LIMITED**  
(CIN No U74999DL2003PTC119593)  
**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2016**

PARTICULARS	Note	Amount in Rs.	
		FOR THE YEAR ENDED	
		31.03.2016	31.03.2015
<b>Revenue from operations</b>			
Brokerage and fees		852,227,502	493,991,831
Other income	2.17	28,533,581	21,734,932
<b>Total income</b>		<b>880,761,083</b>	<b>515,726,763</b>
<b>EXPENSES</b>			
Employee benefit expenses	2.18	461,985,523	306,861,277
Finance cost	2.19	364,879	1,199
Depreciation and amortization expenses	2.20	8,638,833	4,434,565
Other expenses	2.21	210,100,516	103,334,572
<b>Total expenses</b>		<b>681,089,751</b>	<b>414,631,613</b>
<b>Profit before exceptional items and tax</b>		<b>199,671,332</b>	<b>101,095,150</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>199,671,332</b>	<b>101,095,150</b>
<b>Tax expense:</b>			
Current tax		73,857,000	30,423,000
Current tax for earlier year		1,099,931	871,040
Deferred tax charge/ (credit)		(4,607,087)	(1,518,270)
<b>Profit after tax</b>		<b>129,321,488</b>	<b>71,319,380</b>
<b>Earnings per equity share</b>	2.32		
Equity shares of par value Rs. 10/- each			
Basic/Diluted		47.90	39.62
Restated Basic/Diluted		-	26.41
<b>Significant Accounting Policies &amp; Notes on Accounts</b>	1 & 2		

The accompanying notes are an integral part of these financial statements.

As per our report of even date

For Jagdish Chand & Co.

Chartered Accountants

Firm's Registration Number:000129N

CA Ravi Goel

Partner

M. No. 078743



For and on behalf of Board of Directors

Rohit Jain

Managing Director

[DIN 00008596]

Vijay Kumar Suri

Wholtime Director

[DIN 01516436]

Ajay Singla

Finance Controller

[M.No.501061]

Shweta Gupta

Company Secretary

[M.No.ACS21628]

Place : New Delhi

Date : 12/07/2016



**ALMONDZ INSURANCE BROKERS PRIVATE LIMITED**  
(CIN No U74999DL2003PTC119593)  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016**

Particulars	Amount in Rs.	
	Year Ended 31.03.2016	Year Ended 31.03.2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before prior period items and tax	199,671,332	101,095,150
<u>Adjusted for:</u>		
Depreciation and amortization expenses	8,638,833	4,434,565
Provision for Employee benefits	15,347,801	4,579,965
Provision for doubtful debts written back	(715,755)	(3,000,509)
Provision for diminution of Investment written back	(1,775,880)	-
Profit on sale of Investment	(182,190)	-
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(401,664)	(5,933)
Loss on sale of fixed assets	25,316	-
Dividend Received	-	(12,000,000)
Gratuity Paid	(758,642)	(61,234)
Interest Received	(21,379,539)	(2,870,227)
Interest Charges	364,879	1,199
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>198,854,291</b>	<b>92,172,976</b>
Changes in assets and liabilities		
Trade Receivable	(1,631,370)	(4,865,514)
Loans and advances and other assets	(7,305,803)	4,206,166
Liabilities and provisions	412,379,604	(13,922,184)
<b>Cash flow before prior period Items &amp; Tax</b>	<b>602,296,722</b>	<b>77,591,444</b>
Income Tax Paid	(70,349,844)	(29,775,770)
<b>NET CASH GENERATED BY OPERATING ACTIVITIES</b>	<b>A 531,946,878</b>	<b>47,815,674</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Purchase)/Sale of Fixed Assets (Net)	(27,264,317)	(5,720,510)
(Purchase)/Sale of Investments	22,178,670	-
Dividend Received	-	12,000,000
Interest received	21,379,539	2,870,227
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>B 16,293,892</b>	<b>9,149,717</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/ (Repayment) of secured term borrowings	1,941,842	1,250,701
Dividend and dividend distribution tax paid	(150,935,714)	(45,628,491)
Interest charges	(364,879)	(1,199)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>C (149,358,951)</b>	<b>(44,378,989)</b>
<b>Effect of exchange differences on translation of foreign currency cash and cash equivalents</b>	<b>D 401,664</b>	<b>5,933</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(A+B+C+D) 399,283,483</b>	<b>12,592,335</b>
Cash and cash equivalents acquired		
-Pursuant to the scheme of amalgamation with ARBPL(Refer Note 2.23)	177,470,822	-
<b>CASH AND CASH EQUIVALENT AT THE BEGINNING</b>	<b>41,295,634</b>	<b>28,703,300</b>
<b>CASH AND CASH EQUIVALENT AT THE END</b>	<b>618,049,739</b>	<b>41,295,635</b>

**Notes**

- The cash flow statement has been prepared as per the "Indirect method" in accordance with the Accounting Standard 3.
- Cash and cash equivalents represent cash and balances with banks in current account and deposits with banks.
- Figures in brackets indicates cash outflows.

As per our report of even date

For Jagdish Chand & Co.

Chartered Accountants

Firm's Registration Number:000129N

CA Ravi Goel

Partner

M. No. 078748

Place : New Delhi

Date: 12/07/2016



Rohit Jain  
Managing Director  
[DIN 00008596]

Shweta Gupta  
Company Secretary  
[M.No.ACS21628]

Vijay Kumar Suri  
Wholesale Director  
[DIN 01516436]

Ajay Singla  
Finance Controller  
[M.No.501061]

**ALMONDZ INSURANCE BROKERS PRIVATE LIMITED**

**Note- 1 : Significant Accounting Policies for the year ended 31<sup>st</sup> March, 2016**

**Nature of Operations**

Almondz Insurance Brokers Private Limited (the Company) was incorporated on March 27, 2003 as a Private Limited Company under the Indian Companies Act, 1956. The Company is engaged in business of Insurance and Reinsurance broking.

**Note-2 : Significant Accounting Policies**

**a. Basis of Preparation of financial statements**

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable.

All assets and liabilities have been classified as current or noncurrent as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Previous year's figures have been regrouped / reclassified wherever considered necessary.

The company is a subsidiary of a company whose shares are listed on Stock Exchange as defined in the General Instructions in respect of Accounting Standard notified under companies Act, 1956. Accordingly the company has complied with the applicable accounting standards.

**b. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**c. Revenue Recognition**

Revenue/income is generally accounted on accrual as they are earned in accordance with the generally accepted accounting principles and Provisions of the Companies Act, 2013.

The income is deemed as earned:

- i. In case of General Insurance business, Income will accrue after the risk has been incepted and acknowledged by the insurance company.
- ii. In case of Life Insurance business, Income will accrue when the proposal is accepted by the insurance company.
- iii. Brokerage income from facultative reinsurance contracts is recognized when the payment of premium to the reinsurers becomes certain on settlement of premium by the cedants. Income on treaty reinsurance contracts is accounted for on settlement of treaty premium between cedant and reinsurer.
- iv. The interest incomes are deemed as accrued on day-to-day basis.
- v. Income from other services rendered is accounted for when work is completed.
- vi. Dividend on Investment is considered as accrued, when declared or received, whichever is earlier.



*[Handwritten signatures]*

## ALMONDZ INSURANCE BROKERS PRIVATE LIMITED

### d. Expenditure

Expenses are recognised on accrual basis and provisions are made for all known losses and liabilities. Expenses incurred on behalf of other companies, in India, for sharing personnel, common services and facilities like premises, telephones, etc. are allocated to them at cost and reduced from respective expenses. Similarly, expense allocation received from other companies is included within respective expense classifications.

### e. EMPLOYEE BENEFITS

The Company's obligations towards various employee benefits have been recognized as follows :

#### (i) Short term benefits

All employee benefits payable / available within twelve months of rendering the service are classified as short- employee benefits. Benefits such as salaries, wages and bonus etc., are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

#### (ii) Provident fund (Defined contribution plan)

Provident fund is a defined contribution plan. The contributions towards provident fund which are with the Regional Provident Fund Commissioner are charged to the Statement of Profit and Loss.

#### (iii) Gratuity (Defined benefit plan)

Gratuity is defined benefit plan. The present value of obligations under such defined benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

#### (iv) Compensated absences (other long-term benefits)

The Company provides for leave encashment based on actuarial valuation using projected unit credit method in respect of past service. In respect of compensated absences arising during the tenure of service, the defined benefit obligation is calculated taking into account the pattern of avilment of leave. In respect of encashment of leave, the defined benefit is calculated taking into account all types of decrements and qualifying salary projected up to the assumed date of encashment. The valuation of leave encashment benefit is done as at the balance sheet date by an independent actuary. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

### f. Tangible Fixed Assets/Intangibles

#### Tangible Assets

Tangible assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any related cost of bringing the asset to its working condition for its intended use.

#### Intangible Assets

Intangible assets comprise application software purchased, which are not an integral part of the related hardware.



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**ALMONDZ INSURANCE BROKERS PRIVATE LIMITED**

**Capital Work-In-Progress**

Advances paid towards acquisition of fixed assets, direct costs and related incidental expenses incurred on assets that are not yet ready for their intended use or not put to use as on the balance sheet are capitalized & stated as Capital Work-in-Progress.

**g. Depreciation/Amortization**

- i. Depreciation on tangible is provided on Straight-line method, over useful life of assets as prescribed in Part C of Schedule II to the Companies Act, 2013.
- ii. Intangible assets are amortized over the period the company expects to derive economic benefits from their use.

**h. Impairment**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company has measured its 'value in use' on the basis of undiscounted cash flows of next five years projections estimated based on current prices. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**i. Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss account on a straight-line basis over the lease term.

**j. Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried at the lower of cost and fair value determined on an individual investment basis. 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 long term investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

In case of unquoted investments, the fair value is arrived on the basis of breakup value as per latest available audited balance sheet of the investee company or any other reliable published information.

**k. Foreign currency transactions**

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Exchange differences arising on settlement of foreign currency transactions are recognized in the Statement of Profit and Loss. Monetary assets and liabilities denominated in foreign currency are translated at year end rates and resultant gains / losses on foreign exchange translations other than in relation to acquisition of fixed assets and long term foreign currency monetary liabilities are recognized in the Statement of Profit and Loss.



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**ALMONDZ INSURANCE BROKERS PRIVATE LIMITED**

**l. Current and deferred Income tax**

Tax expense comprises of current and deferred tax. Current income taxes are measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

**m. 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. In determining basic earnings per share, the Company considers the net profit after tax and includes the post-tax effect of any extra-ordinary items. The number of shares used in computing basic earnings per share is weighted average number of shares outstanding during the period adjusted for any increase/(decrease) in the number of shares without a corresponding change in resources.

**n. Provisions**

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**o. Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably; the Company does not recognize a contingent liability but discloses its existence in the financial statements.

**p. Cash and Cash Equivalents**

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.



*M. Praveen Singh*

*Sanjay*

**ALMONDZ INSURANCE BROKERS PRIVATE LIMITED**

**2.01 SHARE CAPITAL**

PARTICULARS	Amount In Rs.	
	AS AT 31.03.2016	AS AT 31.03.2015
<b><u>AUTHORISED</u></b>		
60,00,000(P Y 30,00,000) Equity Shares of Rs. 10 each	<u>60,00,000</u>	<u>30,00,000</u>
<b><u>ISSUED, SUBSCRIBED AND PAID UP</u></b>		
27,00,000( P Y 18,00,000) Equity Shares of Rs.10 each, fully paid up.	<u>27,00,000</u>	<u>18,00,000</u>
	<u>27,00,000</u>	<u>18,00,000</u>

2.01.1 The Company has only one class of shares referred to as equity shares having a par value of Rs.10. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company.

2.01.2 During the year ended 31 March 2016, the Company has recorded per share Interim dividend of Rs.11.67 (previous year: Rs. 22.50) and Final dividend of Rs. 37 (previous year: Rs.NIL) to equity shareholders.

2.01.3 During the year ended 31 March 2016, the Company has issued 9,00,000 fully paid up bonus equity shares of face value Rs 10 each by capitalization of Rs.90 lakhs from General Reserve. The bonus share have been issued to existing shareholders in proportion of one equity share for every two equity shares held.

2.01.4 Shares held by holding company	As at March 31,2016		As at March 31,2015	
	Number of Shares	Amount Rs.	Number of Shares	Amount Rs.
Avonmore Capital & Management Services Limited	1,377,000	13,770,000	918,000	9,180,000

2.01.5 Reconciliation of the number of shares outstanding and the amount of share capital is set out below.

Particulars	As at March 31,2016		As at March 31,2015	
	Number of Shares	Amount Rs.	Number of Shares	Amount Rs.
At the beginning of the year	1,800,000	18,000,000	1,800,000	18,000,000
Add: Bonus shares issued	900,000	9,000,000	-	-
<b>Number of shares at the end of the year</b>	<b>2,700,000</b>	<b>27,000,000</b>	<b>1,800,000</b>	<b>18,000,000</b>

2.01.6 Details of shareholders holding more than 5% shares of the Company

Equity shares of Rs.10 each fully paid up held by	As at March 31,2016		As at March 31,2015	
	Number of Shares	% holding in the class	Number of Shares	% holding in the class
Avonmore Capital & Management Services Limited	1,377,000	51.00	918,000	51.00
Mrs. Veena Jain	340,500	12.61	227,000	12.61
Mrs. Anu Jain	225,000	8.33	150,000	8.33
Mr. Rohit Jain	213,750	7.92	142,500	7.92
Rohit Jain (HUF)	180,000	6.67	120,000	6.67



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**ALMONDZ INSURANCE BROKERS PRIVATE LIMITED**

**2.02 RESERVES & SURPLUS**

PARTICULARS	Amount in Rs.			
	AS AT		AS AT	
	31.03.2016		31.03.2015	
<b>General Reserve</b>				
Balance at the beginning of the year		12,810,743		8,510,000
<b>Add:</b>				
General reserve ( arisen pursuant to scheme of amalgamation) <i>Refer note- 2.23</i>	9,913,923		-	
Transferred from surplus in statement of profit and loss	8,471,086	18,385,009	4,300,743	4,300,743
		31,195,752		12,810,743
Less : Amount utilized for issuance of bonus share		9,000,000		-
		<u>22,195,752</u>		<u>12,810,743</u>
<b>Surplus in the Statement of Profit and Loss</b>				
Balance at the beginning of the year		107,088,847		86,595,225
<b>Add:</b>				
Surplus of Statement of Profit and Loss( arisen pursuant to scheme of amalgamation) ( <i>Refer note-2.23</i> )	167,556,698		-	
Net profit transferred from Statement of Profit and Loss	129,321,488	296,878,186	71,319,379	71,319,379
Amount available for appropriation		403,967,033		157,914,604
<b>Appropriations:</b>				
Transfer to General Reserve	8,471,086		4,300,743	
Interim Dividend	25,506,000		40,500,000	
Final Dividend	99,900,000		-	
Dividend distribution tax	25,529,714		5,128,491	
Adjusted for depreciation	-	159,406,800	896,523	50,825,757
Balance at the end of the year		<u>244,560,233</u>		<u>107,088,847</u>
		<u>266,755,985</u>		<u>119,899,590</u>

**2.03 LONG-TERM BORROWINGS**

PARTICULARS	Amount in Rs.	
	AS AT	AS AT
	31.03.2016	31.03.2015
Term loan from bank*	2,199,006	-
*(Secured against hypothecation of vehicle financed and repayable in 60 equal monthly installments alongwith interest @10.25% per annum)		
Term loan from finance company*	1,042,636	1,300,000
*(Secured against hypothecation of vehicle financed and repayable in 48 equal monthly installments alongwith interest @9.74% per annum)		
	3,241,642	1,300,000
Less: Current maturities of long term debt	1,010,273	257,364
	<u>2,231,369</u>	<u>1,042,636</u>



**ALMONDZ INSURANCE BROKERS PRIVATE LIMITED**

**2.04 DEFERRED TAXES**

PARTICULARS	Amount in Rs.	
	AS AT 31.03.2016	AS AT 31.03.2015
<b>Deferred Tax Assets:</b>		
Provision for gratuity	11,961,567	5,301,656
Amalgamation Expenses	163,091	76,205
Provision for doubtful debts	1,029,271	1,197,168
	<u>13,153,929</u>	<u>6,575,029</u>
<b>Deferred Tax Liability:</b>		
Difference in written down value of fixed assets as per the Companies Act, 2013 and the Income tax act, 1961	835,396	181,347
	<u>835,396</u>	<u>181,347</u>
<b>Deferred Tax Assets(net)</b>	<u>12,318,533</u>	<u>6,393,682</u>

**2.05 LONG-TERM PROVISIONS**

PARTICULARS	Amount in Rs.	
	AS AT 31.03.2016	AS AT 31.03.2015
Provision for Employee Benefits		
- Gratuity	30,260,827	14,518,325
	<u>30,260,827</u>	<u>14,518,325</u>

**2.06 TRADE PAYABLES**

PARTICULARS	Amount in Rs.	
	AS AT 31.03.2016	AS AT 31.03.2015
Trade payables for material and services*	3,380,813	3,425,859
	<u>3,380,813</u>	<u>3,425,859</u>

\* The Company has no information as to whether any of its vendors constitute a "Supplier" within the meaning of Section 2 (n) of the Micro, Small and Medium Enterprises Development Act, 2006 as no declarations were received under the said Act from them.

**2.07 OTHER CURRENT LIABILITIES**

PARTICULARS	Amount in Rs.	
	AS AT 31.03.2016	AS AT 31.03.2015
Current maturities of long term debt	1,010,273	257,364
Expenses payable	5,481,247	3,617,972
Statutory liabilities	13,917,621	6,398,868
Reinsurance claim pending remittance	1,265,607	-
Reinsurance premium pending remittance	112,487,038	-
Others *	128,000,000	-
	<u>262,161,786</u>	<u>10,274,204</u>

\* represents amount received as settlement and kept in separate bank account pending for disposal.



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## 2.09 : FIXED ASSETS

## ALMONDZ INSURANCE BROKERS PRIVATE LIMITED

PARTICULARS	Original cost					Depreciation / Amortization				Rs.	
	As at April 1,2015	Acquired Pursuant to scheme of amalgamation-Refer Note-2.23	Additions/ Adjustments during the year	Deductions/ Retirement during the year	As at March 31,2016	As at April 1,2015	Acquired Pursuant to scheme of amalgamation-Refer Note-2.23	Additions during the year	Deductions/ Adjustments during the year	As at March 31,2016	As at March 31,2016
A. Tangible Assets											
Leasehold Improvement	-	-	2,523,271	-	2,523,271	-	-	62,388	-	62,388	2,460,883
Furniture & Fixtures	1,405,844	858,946	57,368	-	2,322,158	553,101	365,703	204,984	-	1,123,788	1,188,370
Office Equipments	5,288,278	2,802,069	2,168,203	11,200	10,247,350	2,340,955	911,090	1,912,070	7,022	5,157,093	5,090,257
Vehicles	2,268,186	12,950,483	-	-	15,218,669	239,976	1,082,392	1,818,424	-	3,140,792	12,077,877
Computers	5,482,892	6,415,803	2,242,084	440,032	13,700,847	3,476,584	3,218,982	3,085,892	412,094	9,388,364	4,331,483
Total A	14,445,300	23,027,301	6,990,926	451,232	44,012,295	6,610,616	5,578,167	7,083,758	419,116	18,853,425	25,158,870
B. Intangible Assets											
Software	3,040,246	1,555,240	1,728,000	-	6,323,486	2,229,695	1,040,334	1,314,475	-	4,584,504	1,738,982
Goodwill	-	240,600	-	-	240,600	-	-	240,600	-	240,600	-
Total B	3,040,246	1,795,840	1,728,000	-	6,564,086	2,229,695	1,040,334	1,555,075	-	4,825,104	1,738,982
CWIP-Leasehold Improvement	-	-	39,550	-	39,550	-	-	-	-	-	39,550
Intangible assets under development	-	308,000	-	-	308,000	-	-	-	-	-	308,000
Total C	-	308,000	39,550	-	347,550	-	-	-	-	-	347,550
Total (A+B+C)	17,485,546	25,131,141	8,758,476	451,232	50,923,931	8,840,311	6,618,501	8,638,833	419,116	23,678,529	27,245,402
Previous Year	13,099,396	-	5,559,583	1,173,412	17,485,547	4,843,584	-	4,434,585	437,838	8,840,311	8,645,236



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**ALMONDZ INSURANCE BROKERS PRIVATE LIMITED**

**2.08 SHORT-TERM PROVISIONS**

PARTICULARS	Amount in Rs.	
	AS AT 31.03.2016	AS AT 31.03.2015
Proposed Dividend	99,900,000	-
Provision for Dividend Distribution tax	20,337,292	-
Provision for Bonus and Incentives	57,964,000	30,313,000
Provision for current tax (net of advance tax & tds)	9,768,073	-
Provision for Retirement Benefits		
- Gratuity	4,302,184	1,822,115
	<u>192,271,549</u>	<u>32,135,115</u>

**2.10 NON-CURRENT INVESTMENTS**

PARTICULARS	Amount in Rs.	
	AS AT 31.03.2016	AS AT 31.03.2015
Long term investments-at cost		
<u>Unquoted</u>		
Investment in Subsidiary-(Refer Note-2.23)		
Almondz Reinsurance Brokers Private Limited*	-	20,240,600
CY Nil( P Y 20,00,000) Equity Shares @ Rs.10 each, fully paid up		
* Includes 10 shares held through nominees.		
	<u>-</u>	<u>20,240,600</u>
Aggregate value of unquoted investments	<u>-</u>	<u>20,240,600</u>

**2.11 LONG-TERM LOANS AND ADVANCES**

PARTICULARS	Amount in Rs.	
	AS AT 31.03.2016	AS AT 31.03.2015
Unsecured, considered good		
Rental security deposits	11,643,226	3,366,306
Income tax receivable(Net of Provision)	40,013,791	53,635,753
	<u>51,657,017</u>	<u>57,002,059</u>

**2.12 OTHER NON CURRENT ASSETS**

PARTICULARS	Amount in Rs.	
	AS AT 31.03.2016	AS AT 31.03.2015
Long term deposit with banks with original maturity of more than twelve months ( Lien with IRDA)	5,000,000	1,615,037
Term deposit with scheduled bank*	439,222	165,913
*Margin against bank guarantee		
Interest accrued on fixed deposit but not due	135,956	110,876
	<u>5,575,178</u>	<u>1,891,826</u>



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**ALMONDZ INSURANCE BROKERS PRIVATE LIMITED**

**2.13 TRADE RECEIVABLES**

PARTICULARS	Amount in Rs.	
	AS AT 31.03.2016	AS AT 31.03.2015
<b>(Unsecured Considered Good)</b>		
More than six months	1,507,772	-
Others	32,417,118	38,746,818
Unbilled Revenue	19,826,843	12,657,790
	53,751,733	51,404,608
<b>(Unsecured Considered Doubtful)</b>		
More than six months	2,974,084	3,689,839
Less : Provisions for Doubtful Debts	2,974,084	3,689,839
	-	-
	53,751,733	51,404,608

**2.14 CASH AND BANK BALANCES**

PARTICULARS	Amount in Rs.	
	AS AT 31.03.2016	AS AT 31.03.2015
<b><u>Cash and cash equivalents</u></b>		
Cash In hand	72,524	18,323
Balances with Schedule Bank		
-In Current Accounts	119,828,626	10,696,298
-In Term Deposits Accounts	244,574,386	30,581,014
-In Premium & Claim Accounts	125,574,203	-
-Other Accounts	128,000,000	-
	618,049,739	41,295,635

The detail of balances as on balance sheet dates with banks are as follows :

PARTICULARS	Amount in Rs.	
	AS AT 31.03.2016	AS AT 31.03.2015
<b>Current Accounts</b>		
AXIS Bank Limited	8,200,442	6,754,677
HDFC Bank Limited	251,873	354,872
Deutsche Bank AG	94,588,089	421,981
Citi Bank Inc	16,686,841	3,101,802
State Bank of India	101,381	62,966
	119,828,626	10,696,298
<b>Term Deposit Accounts</b>		
Citi Bank Inc	85,145,000	17,645,000
Deutsche Bank AG	115,000,000	-
Axis Bank	44,429,386	12,936,014
	244,574,386	30,581,014
<b>Premium &amp; Claim Accounts</b>		
Deutsche Bank	41,380,238	-
Citi Bank Inc	84,193,965	-
	125,574,203	-
<b>Other Accounts</b>		
Citi Bank Inc	128,000,000	-
	128,000,000	-



*M. Pradyumn Singh* *For* *EW*

**ALMONDZ INSURANCE BROKERS PRIVATE LIMITED**

**2.15 SHORT-TERM LOANS AND ADVANCES**

PARTICULARS	Amount in Rs.	
	AS AT 31.03.2016	AS AT 31.03.2015
Rental security deposit	393,530	4,373,936
Security deposit with others	420,527	113,004
Staff and other advances	550,098	184,247
Prepaid Expenses	12,086,822	5,829,751
Balance with service tax authorities	65,684	1,622,452
	<u>13,516,661</u>	<u>12,123,390</u>

**2.16 OTHER CURRENT ASSETS**

PARTICULARS	Amount in Rs.	
	AS AT 31.03.2016	AS AT 31.03.2015
Interest accrued on term deposit but not due	1,317,693	132,537
Other recoverable	630,373	166,158
	<u>1,948,066</u>	<u>298,695</u>

**2.17 OTHER INCOME**

PARTICULARS	Amount in Rs.	
	AS AT 31.03.2016	AS AT 31.03.2015
Interest on deposits with banks	12,539,605	2,870,227
Interest on Investments	8,839,934	-
Interest on Income tax refund	2,316,603	3,105,835
Gain on foreign currency, net	401,664	5,933
Provision for Doubtful debts written back	715,755	3,000,509
Profit on sale of fixed assets	-	6,328
Profit on sale of investment	162,190	-
Excess provision for expenses written back	-	740,882
Court fee refund	1,765,000	-
Provision for diminution in investment written back	1,775,880	-
Dividend received from subsidiary company*	-	12,000,000
Miscellaneous income	16,950	5,218
	<u>28,533,581</u>	<u>21,734,932</u>

\* the subsidiary company has since been merged (Refer note no. 2.23)



*M. Pradyumn Singh*



**ALMONDZ INSURANCE BROKERS PRIVATE LIMITED**

**2.18 EMPLOYEE BENEFIT EXPENSES**

PARTICULARS	Amount in Rs.	
	AS AT 31.03.2016	AS AT 31.03.2015
Salaries, Bonus & Allowances	408,058,527	279,340,940
Employer's Contribution to ESI & PF	22,963,293	16,701,447
Recruitment Expenses	3,629,280	647,630
Staff Welfare	12,745,464	5,591,295
Provisions for Employees benefits		
: Gratuity	14,588,959	5,748,498
: Leave encashment/ (Reversed)	-	(1,168,533)
	14,588,959	4,579,965
	<u>461,985,523</u>	<u>306,861,277</u>

**2.19 FINANCE COSTS**

PARTICULARS	Amount in Rs.	
	AS AT 31.03.2016	AS AT 31.03.2015
Interest on loan	364,879	1,199
	<u>364,879</u>	<u>1,199</u>

**2.20 DEPRECIATION AND AMORTIZATION EXPENSES**

PARTICULARS	Amount in Rs.	
	AS AT 31.03.2016	AS AT 31.03.2015
Depreciation on Tangible Assets	7,083,758	3,065,382
Amortization of Intangible Assets	1,555,075	1,369,183
	<u>8,638,833</u>	<u>4,434,565</u>

*My duty is to* *La* *Q*



**ALMONDZ INSURANCE BROKERS PRIVATE LIMITED**

**2.21 OTHER EXPENSES**

PARTICULARS	Amount in Rs.	
	AS AT 31.03.2016	AS AT 31.03.2015
Rent	46,585,294	19,056,707
Communication expenses	9,892,981	7,605,283
Conveyance and travelling	50,086,425	31,305,163
Electricity and water expenses	3,970,234	1,483,580
Insurance expenses	15,911,588	9,855,847
Business & Promotion Expenses	7,215,943	4,048,224
Legal and Professional Charges	47,767,132	4,315,650
EB wellness expenses	12,662,292	15,855,546
Amalgamation Expenses	354,190	234,875
Membership and subscription	572,973	111,767
Office overheads	4,016,823	1,716,813
Printing and stationery	2,902,966	3,390,966
Rates, fee and taxes	1,005,327	212,394
Repair and maintenance	1,804,370	1,327,025
Vehicle running and maintenance	1,704,958	1,010,888
Bank Charges	1,070,598	51,067
Books & periodicals	972,106	475,432
General expenses	33,043	31,396
Interest on late deposits of Govt. Dues	59,061	140,310
Loss on sale of fixed assets	25,316	-
Penalty	206,850	1,077,639
Donation	28,000	28,000
Bad Debts	452,046	-
Contribution to CSR Activities	800,000	-
<b>Total</b>	<b>210,100,516</b>	<b>103,334,572</b>



*M. Pradyumn Singh*

# ALMONDZ INSURANCE BROKERS PRIVATE LIMITED

## 2.22 CONTINGENT LIABILITIES AND COMMITMENTS ( TO THE EXTENT NOT PROVIDED FOR)

PARTICULARS	Amount in Rs.	
	FOR THE YEAR ENDED	
	31.03.2016	31.03.2015
<b>Contingent Liabilities</b>		
Bank Guarantee for performance (Secured by way of margin money in the form of bank deposits of Rs.4,39,222 (P.Y. Rs.1,65,913)	360,000	100,000
<b>Commitments:</b>		
Estimated amounts of unexecuted capital contracts ( Net of advances)	154,000	78,540

## 2.23 Merger of Almondz Reinsurance Brokers Private Limited with Almondz Insurance Brokers Private Limited

- A) Almondz Reinsurance Brokers Private Limited (ARBPL) was a wholly-owned subsidiary of Almondz Insurance Brokers Private Limited (AIBPL). ARBPL was engaged in the business of reinsurance broking and risk management. The Hon'ble High Court of Delhi on November 6, 2015 sanctioned the scheme of amalgamation of Almondz Reinsurance Brokers Private Limited (ARBPL) with Almondz Insurance Brokers Private Limited (AIBPL) under section 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 2013 with appointed date as April 1, 2014. The Effective Date of the Scheme is December 22, 2015 i.e. the date on which the sanctioned scheme was filed with Registrar of Companies.
- B) The salient features of the said Scheme and their impact is as follows:
- That all assets, liabilities, rights, licenses, benefits, income tax, service tax, duties and obligations of ARBPL have been transferred to and vested in the Company retrospectively with effect from the appointed date. i.e. April 1, 2014.
  - The existing authorised capital of Rs.300 Lacs of the transferor company gets merged with the authorised share capital of the transferee company resulting in the increased authorised capital of Rs.600 Lacs.
  - The amalgamation has been accounted for under the 'Pooling of interest' method as prescribed by Accounting Standard-14 specified under section 133 of Companies Act, 2013.

Hence, in accordance with the Scheme the amalgamation has resulted in transfer of assets and liabilities at the following summarized values:

Particulars	Amount in Rs.
<b>Appointed date of amalgamation</b>	<b>April 1, 2014</b>
<b>Assets:</b>	
Fixed Assets(net)	12,747,619
Deferred tax assets (net)	85,567
Long term and loans and advances	6,654,539
Other non current assets	6,869,257
Current assets	210,156,688
<b>Total Assets</b>	<b>236,513,670</b>
Long term liabilities	2,835,281
Long term provisions	2,788,620
Current liabilities	102,079,598
<b>Total Liabilities</b>	<b>107,703,499</b>



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# ALMONDZ INSURANCE BROKERS PRIVATE LIMITED

- iv) The entire issued, subscribed and paid up share capital of the ARBPL after the appointed date shall be cancelled. Accordingly, investments by the Company in ARBPL have been cancelled.
- v) As Almondz Reinsurance Brokers Private Limited was a wholly-owned subsidiary of Almondz Insurance Broker Private Limited, no shares have been allotted to the shareholders upon the scheme becoming effective.
- vi) The difference between the amounts recorded as investments of the company and the amount of share capital of Almondz Reinsurance Brokers Private Limited has been adjusted in the Goodwill and has been amortized fully.
- vii) The scheme is effective on December 22, 2015 with an appointed date of April 1, 2014. As the financial statements for previous year ended March 2015 have already been approved by the shareholders of the company, the previous year balances have not been restated and all the relevant accounting entries with respect to the scheme have been accounted for on effective date for balance as on April, 1 2015. Accordingly, the surplus in the statement of Profit and Loss as on March 31, 2015 has been transferred to the opening reserve of the Company.

However the comparative positions of assets, liabilities, revenue and expenditure is furnished hereunder :

PARTICULARS	AS AT 31.03.2016	Consolidated as at 31.03.2015
<b>Liabilities</b>		
<b>SHAREHOLDERS' FUNDS</b>		
Share Capital	27,000,000	18,000,000
Reserves & surplus	266,755,985	297,370,207
<b>NON-CURRENT LIABILITIES</b>		
Long term borrowings	2,231,369	3,241,642
Long term provisions	30,260,827	18,888,552
<b>CURRENT LIABILITIES</b>		
Trade payables	3,380,813	6,064,684
Other current liabilities	262,161,786	128,952,000
Short term provisions	192,271,549	69,085,217
<b>Total - Equity And Liabilities</b>	<b>784,062,329</b>	<b>541,602,302</b>
<b>II. ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Fixed Assets		
Tangible assets	25,158,870	25,283,817
Intangible assets	1,738,982	1,566,057
Intangible assets under development	347,550	308,000
Non-current investments	-	70,224,120
Deferred tax assets (net)	12,318,533	7,711,445
Long-term loans and advances	51,657,017	58,705,462
Other non-current assets	5,575,178	9,341,769
<b>CURRENT ASSETS</b>		
Current investments	-	70,224,120
Trade receivables	53,751,733	54,819,263
Cash and bank balances	618,049,739	289,843,656
Short-term loans and advances	13,516,661	22,465,311
Other current assets	1,948,066	1,333,402
<b>Total Assets</b>	<b>784,062,329</b>	<b>611,826,422</b>



*M. Pring Surt* *For* *Q*



**ALMONDZ INSURANCE BROKERS PRIVATE LIMITED**

PARTICULARS	FOR THE YEAR ENDED	
	31.03.2016	Consolidated 31.03.2015
<b>Revenue from operations</b>		
Brokerage and fees	852,227,502	843,254,296
Other income	28,533,581	20,057,850
<b>Total Income</b>	<b>880,761,083</b>	<b>863,312,146</b>
<b>EXPENSES</b>		
Employee benefit expenses	461,985,523	425,241,111
Finance cost	364,879	324,214
Depreciation and amortization expenses	8,638,833	8,889,281
Other expenses	210,100,516	212,977,179
<b>Total expenses</b>	<b>681,089,751</b>	<b>647,431,785</b>
<b>Profit before exceptional items and tax</b>	<b>199,671,332</b>	<b>215,880,361</b>
Exceptional items	-	-
<b>Profit before tax</b>	<b>199,671,332</b>	<b>215,880,361</b>
<b>Tax expense:</b>		
Current tax	73,857,000	75,025,000
Current tax for earlier year	1,099,931	1,364,758
Deferred tax charge/ (credit)	(4,607,087)	(2,783,519)
<b>Profit after tax</b>	<b>129,321,488</b>	<b>142,274,122</b>
<b>Earnings per equity share</b>		
Equity shares of par value Rs. 10/- each		
Basic/Diluted	47.90	79.04
Restated Basic/Diluted	-	79.04

2.24 The Company earns brokerage from several insurance companies. The accounts of these insurance companies remain under reconciliation and are subject to confirmation. The Company does not expect any significant variation in the book balances.

**2.25 ACTIVITY IN FOREIGN CURRENCY**

Particulars	Amount in Rs.	
	FOR THE YEAR ENDED 31.03.2016	31.03.2015
<b>Earnings in foreign currency</b>		
Brokerage and fees (on accrual basis)	279,243,972	34,574,220
	<b>279,243,972</b>	<b>34,574,220</b>
<b>Expenditure in foreign currency</b>		
Travelling expense	4,237,962	1,035,336
Bank charges	511,320	-
Staff conference expenses	623,137	-
Legal & professional expenses	30,223,549	-
	<b>35,595,968</b>	<b>1,035,336</b>
<b>Net earnings in foreign currency</b>	<b>243,648,004</b>	<b>33,538,884</b>



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# ALMONDZ INSURANCE BROKERS PRIVATE LIMITED

## 2.26 LEASES

Particulars	Amount in Rs.	
	FOR THE YEAR ENDED	
	31.03.2016	31.03.2015
Rentals recognized during the period	46,529,094	19,056,707
	<u>46,529,094</u>	<u>19,056,707</u>

The Company has obtained certain immovable properties under cancellable lease agreements. The lease rental paid under such agreement is shown as 'Rent' in statement of profit and loss account. These agreements are normally renewable.

## 2.27 MANAGERIAL REMUNERATION:

Particulars	Amount in Rs.	
	FOR THE YEAR ENDED	
	31.03.2016	31.03.2015
Salaries Bonus and Allowances	20,741,200	16,474,167
Medical reimbursement	45,000	30,000
	<u>20,786,200</u>	<u>16,504,167</u>

Note : the amount does not include provision for gratuity and leave encashment which are made based on actuarial valuation on overall company basis and can not be ascertained for managerial personnel covered under note.

## 2.28 Payment to Statutory Auditors (excluding service tax, included in legal & professional charges)

Particulars	Amount in Rs.	
	FOR THE YEAR ENDED	
	31.03.2016	31.03.2015
Statutory Audit Fee	300,000	150,000
Certification Fee	28,750	18,750
	<u>328,750</u>	<u>168,750</u>

## 2.29 RELATED PARTY DISCLOSURE

The information given below is only in respect of the transactions entered into by the company with related parties.

### A. Names of related parties and description of relationship:

#### 1. Holding Company:

Avonmore Capital & Management Services Limited

#### 3. Fellow subsidiary company:

Almondz Global Securities Limited w.e.f. 01.04.2015

Almondz Finanz Limited w.e.f. 01.04.2015

#### 5. Key Managerial Personnel:

Mr. Rohit Jain, Managing Director

Mr. Vijay Kumar Suri, Whole Time Director (Appointed w.e.f. 01/02/2016)

Mr. Vinit Vidyarthi, Whole Time Director (Resigned w.e.f. 22/12/2015)

Mr. Govind Prasad Agrawal, Director

Mr. Jagdeep Singh, Director

Ms. Shweta Gupta, Company Secretary (Appointed w.e.f. 01/02/2016)

#### 2. Subsidiary Company:

Almondz Re-insurance Brokers Private Limited ( Refer Note-2.23)

#### 4. Associates of holding company:

Almondz Global Securities Limited up to 31.03.2015



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**ALMONDZ INSURANCE BROKERS PRIVATE LIMITED**

(C)	Assets/Liabilities	Nature of Transactions	Amount in Rs.	
			31.03.2016	31.03.2015
	<b>OUTSTANDING</b>			
a	Almondz Global Securities Limited	Trade Payables	435,846	144,603
b	Almondz Reinsurance Brokers P Ltd	Investments	-	20,240,600

2.30 As the company's activities fall under single business segment, there are no additional disclosures to be provided under accounting standard 17-Segment Reporting other than those already provided in the financial statements.

**2.31 GRATUITY AND LEAVE BENEFIT PLANS: ( AS 15 REVISED)**

The company has defined benefit gratuity plan. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

**a) Reconciliation of Defined Benefit Obligation:**

Particulars	Amount in Rs.			
	Gratuity		Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
Opening Present Value of Defined Benefit Obligation	16,340,439	10,653,172	-	1,168,533
Current Service Cost	4,006,195	3,351,650	-	(1,168,533)
Interest Cost	1,244,967	956,030	-	-
Past service cost	-	-	-	-
Amalgamations (Refer Note no.2.24)	4,392,254	-	-	-
Curtailment cost/(Credit)	-	-	-	-
Settlement cost/(Credit)	-	-	-	-
Actual Benefit Payments	(758,642)	(61,231)	-	-
Actuarial Losses/(Gain)	9,337,797	1,440,818	-	-
Closing Present Value of Defined Benefit Obligation	34,563,010	16,340,439	-	-

**b) Reconciliation of Fair Value of Plan Assets :**

Particulars	Amount in Rs.			
	Gratuity		Leave Encashment	
	2015-16	2014-15	2015-16	2014-15
Opening Fair value of Plan Assets	-	-	-	-
Acquisition Adjustments	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Actual Contributions	-	-	-	-
Actual Benefits Payments	-	-	-	-
Actuarial Gain/ (Losses)	-	-	-	-
Closing Fair Value of Plan Assets	-	-	-	-



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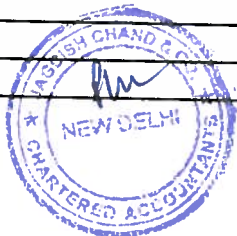
# **ALMONDZ INSURANCE BROKERS PRIVATE LIMITED**

## **6. Relatives of Key Managerial Personnel**

Mr. R C Jain  
R C Jain & Sons(HUF)  
Rohit Jain (HUF)  
Mrs. Veena Jain  
Mrs. Anu Jain  
Ms. Reetu Jain

## **B. Transactions during the year and balances outstanding as at year end with related parties:**

S.No.	Particulars	Nature of Transactions	Amount in Rs.	
			2015-16	2014-15
1)	<b>Transactions with Holding and Subsidiary Company</b>			
	Avonmore Capital & Management Services Limited	Dividend Paid	13,008,060	27,081,000
	Almondz Reinsurance Brokers P Ltd	Dividend Recd	-	12,000,000
		Recovery of Expenses	-	104,105
2)	<b>Transaction with Associates of Holding Company and fellow subsidiary:</b>			
	<u>Expenditure</u>			
	Almondz Global Securities Limited	Rent	23,263,136	5,181,000
		Electricity and water	1,674,038	303,703
		Staff Welfare	371,705	94,158
		Communication Expenses	83,958	57,000
		Office Overhead	2,212,783	511,568
		Security Charges	74,143	16,036
		Charges	2,268	-
	Almondz Finanz Limited	Purchase of Investments	147,481,197	-
		Sale of Investments	229,451,751	-
3)	<b>Transaction with Key Managerial Personnel:</b>			
	Mr. Rohit Jain	Remuneration	8,018,600	7,234,600
	Mr. Rajiv Braham Agarwal	Remuneration	-	5,848,955
	Mr. Vinit Vidyarthi	Remuneration	3,747,600	3,420,612
	Mr. Vijay K Suri	Remuneration	9,020,000	8,094,600
	Mr. Rohit Jain	Dividend Paid	2,019,225	4,203,750
	Ms. Shweta Gupta	Remuneration	1,300,000	-
	Mr. Vijay K Suri	Deposit received for confirmation of directorship	100,000	-
	Mr. Vijay K Suri	Refund of deposit	100,000	-
	Mr. Jagdeep Singh	Deposit received for confirmation of directorship	100,000	-
	Mr. Jagdeep Singh	Refund of deposit	100,000	-
4)	<b>Transaction with Relatives of Key Managerial Personnel:</b>			
	Mr. R C Jain	Dividend Paid	956,475	1,991,250
	R C Jain & Sons(HUF)	Dividend Paid	1,275,300	2,655,000
	Rohit Jain (HUF)	Dividend Paid	1,700,400	3,540,000
	Mrs. Veena Jain	Dividend Paid	3,216,590	6,696,500
	Mrs. Anu Jain	Dividend Paid	2,125,500	4,425,000
	Ms. Reetu Jain	Dividend Paid	1,204,450	2,507,500



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**ALMONDZ INSURANCE BROKERS PRIVATE LIMITED**

**c) Recognition of Actuarial Gain/Loss:**

Particulars	Amount in Rs.	
	Gratuity	Leave Encashment
	2015-16	2014-15
Actuarial (Gain)/ Loss on obligation	9,337,797	1,440,818
Actuarial (Gain)/ Loss on Plan Assets	-	-
Total (Gain)/ Loss for the period	9,337,797	1,440,818
Unrecognized Actuarial (Gain)/ Loss End of year	-	-

**d) Recognition of Past Service Cost:**

Particulars	Amount in Rs.	
	Gratuity	Leave Encashment
	2015-16	2014-15
Opening Past Service Cost-Non Vested Benefits	-	-
Past Service Cost-Non Vested Benefits during the period	-	-
Past Service Cost-Non Vested Benefits recognized during the period	-	-
Closing Past Service Cost-Non Vested Benefits	-	-

**e) Experience History: Gratuity**

Particulars	Amount in Rs.				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Defined benefit obligation	34,563,010	16,340,439	10,653,173	8,328,933	4,718,314
Fair Value of Plan Assets	-	-	-	-	-
(Surplus)/Deficit	34,563,010	16,340,439	10,653,173	8,328,933	4,718,314
Exp Adjustment-Plan Assets Gain/(Loss)	-	-	-	-	-
Assumption (Gain)/Loss	-	2,082,550	(906,135)	233,446	(74,972)
Experience Adjustment-Plan Liabilities: (Gain)/Loss	9,337,797	(641,732)	(469,323)	(18,830)	114,155
Total Actuarial (Gain)/Loss	9,337,797	1,440,818	(1,375,458)	214,616	39,183

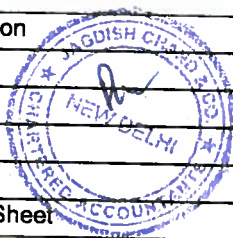
**f) Experience History: Leave Encashment**

Particulars	Amount in Rs.				
	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
Defined benefit obligation	-	-	1,168,533	3,591,596	2,096,538
Fair Value of Plan Assets	-	-	-	-	-
(Surplus)/Deficit	-	-	1,168,533	3,591,596	2,096,538
Experience Adjustment on Liabilities: Gain/(Loss)	-	-	209,579	18,419	1,421,075
Experience Adjustment on Plan Assets:	-	-	-	-	-

**g) Balance Sheet:**

Amount recognized in Balance Sheet

Particulars	Amount in Rs.	
	Gratuity	Leave Encashment
	2015-16	2014-15
Present Value of Defined Benefit Obligation	34,563,011	16,340,440
Fair Value of Plan Assets	-	-
Funded Status- (Surplus) /Deficit	34,563,011	16,340,440
Unrecognized Past Service (Cost)/Credit	-	-
Para 59(b) Limit	-	-
Liability/ (Assets) recognized in Balance Sheet	34,563,011	16,340,440



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**ALMONDZ INSURANCE BROKERS PRIVATE LIMITED**

**h) Profit and Loss Account:**

Amount Recognized in Statement of Profit and Loss

Particulars	Amount in Rs.	
	Gratuity	Leave Encashment
	2015-16	2014-15
Current Service Cost	4,006,195	3,351,650
Interest Cost	1,244,967	956,030
Expected Return on Plan Assets	-	-
Past Service Cost-Vested benefits	-	-
Actuarial Loss/(Gain)	9,337,797	1,440,818
Total Employer Expense	14,588,959	5,748,498
		(1,168,533)

**i) Current and Non-Current Liability**

Particulars	Amount in Rs.	
	Gratuity	Leave Encashment
	2015-16	2014-15
Current Liability(DBO)	4,302,184	1,822,115
Non-Current Liability(DBO)	30,260,827	14,518,325
Total	34,563,011	16,340,440
		-

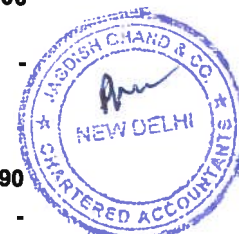
**j) Summary of actuarial assumptions used in valuation:**

Particulars	Amount in Rs.	
	Gratuity	Leave Encashment
	2015-16	2014-15
Discount Rate	7.85%	7.80%
Expected Return on Assets	N/A	N/A
Salary Escalation Rate	7.50%	7.50%
Withdrawal Rates- Age up to 35	5%	5%
Withdrawal Rates- Age above 35	1%	1%
Retirement Age	60 Years	58 Years
		-

The company has not funded the liability.

**2.32 EARNING PER SHARE**

Particulars	Amount in Rs.	
	FOR THE YEAR ENDED	
	31.03.2016	31.03.2015
Net profit after tax available for equity shareholders	(A) 129,321,488	71,319,380
Equity Shares outstanding at the beginning of the year	1,800,000	1,800,000
Add: Bonus shares issued during the year	900,000	-
Weighted average number of equity shares	(B) 2,700,000	1,800,000
Add: Adjusted equity share due to bonus shares issued current year	-	900,000
Adjusted weighted average number of equity shares at the end of year	(C) 2,700,000	2,700,000
Basic / Diluted earning per share	A/B 47.90	39.62
Restated Basic / Diluted earning per share	A/C -	26.41



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**ALMONDZ INSURANCE BROKERS PRIVATE LIMITED**

**2.33** The exchange rate adopted for translation of foreign exchange assets and liabilities on the reporting date i.e.31st March 2016 are:

a) One GB Sterling Pound	Rs.92.46
b) One US Dollar	Rs.62.59

**As per our report of even date  
For Jagdish Chand & Co.**

**Chartered Accountants**

**Firm's Registration Number:000129N**

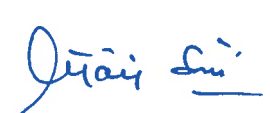
  
**CA Ravi Goel**  
**Partner**  
**M. No. 078748**




**Place : New Delhi**  
**Date : 12/07/2016**

**For and on behalf of Board of Directors**

  
**Rohit Jain**  
**Managing Director**  
**[DIN 00008596]**

  
**Vijay Kumar Suri**  
**Wholetime Director**  
**[DIN 01516436]**

  
**Ajay Singla**  
**Finance Controller**  
**[M.No.501061]**

  
**Shweta Gupta**  
**Company Secretary**  
**[M.No.ACS21628]**