Centrum Insurance
Kal Ki Guarantee ... Aaj Se!

# Centrum Insurance Brokers Limited

## Annual Report 2019-20

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# Corporate Information


**Corporate Office**

Centrum House, CST Road, Vidyanagari Marg, Kalina, Mumbai 400098

**Tel** – 022 – 42159000

**Email** – info@centrum.co.in
cs@centrum.co.in

**Website** – www.centrum.co.in

# DIRECTORS' REPORT

**To**
**The Members**
**Centrum Insurance Brokers Limited**

Your Directors are pleased to present their Fifth Annual Report together with the audited accounts of the Company for the year ended as on March 31, 2020.

**FINANCIAL HIGHLIGHTS:**

***(Rs. in Lakhs)***

| Particulars | Year ended 31.03.2020 | Year ended 31.03.2019 |
|---|---|---|
| **Gross Income** | **1,462.97** | **668.71** |
| **Profit/ (Loss) before tax** | **275.65** | **4.19** |
| Less: Taxation Expenses | (1.81) | (2.38) |
| **Profit /(Loss) after tax** | **277.46** | **4.25** |
| Add: Other comprehensive income/(loss) for the year | 3.08 | 5.77 |
| Add: Balance of profit/ (loss) for earlier years | (412.04) | (422.07) |
| **Balance carried forward** | **(131.51)** | **(412.04)** |

**Financial Performance and state of Company's affairs**

The Gross income (standalone) from operations of the Company is Rs.1462.97 lakhs in 2019-20 as against Rs. 668.71 lakhs in the previous year 2018-19. The net profit after tax for the year under review of Rs. 277.46 Lakhs in 2019-2020 as against net loss after tax for the year under review of Rs. 4.25 Lakhs in 2018-2019.

**TRANSFER TO RESERVES:**

The Company has not transferred any amount to reserves during the period under review.

**DIVIDEND:**

With a view to conserve resources, the Directors decided not to recommend any dividend for the financial year 2019-20.

**SUBSIDIARIES, JOINT VENTURE AND ASSOCIATED COMPANIES:**

The Company does not have any subsidiary, joint venture and associate company and therefore, disclosure in Form AOC-1 is not applicable.

**MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF FINANCIAL YEAR AND DATE OF REPORT:**

There were no material changes and commitments affecting the financial position of the Company between the end of financial year and date of the report.

**CHANGE IN NATURE OF BUSINESS:**

There is no change in nature of Business of the Company during the period under review.

**CHANGE IN SHARE CAPITAL/ SHARE HOLDING:**

There were no changes in the share capital of the Company during the period under review.

**EXTRACTS OF ANNUAL RETURN.**

An extract of annual return in Form MGT-9 is attached as **Annexure A**.

**AUDITORS AND AUDITORS' REPORT:**

M/s. Ketan Negandhi & Associates (Chartered Accountants) (Firm Registration No. 116834W) were appointed by the Board of Directors at its Meeting held on May 21, 2018 as Statutory Auditors for the term of five years subject to approval of the members of the Company. The said appointment was approved by the members of the Company at third Annual General Meeting dated August 13, 2018.

**COMMENTS ON AUDITORS QUALIFICATIONS IN AUDITORS REPORT:**

The auditors' report does not contain any qualification. Notes to accounts and Auditors' remarks in their report are self-explanatory and do not call for any further comments.

**COST AUDITOR:**

The provisions of Section 148(3) of the Companies Act, 2013 is not applicable to the Company.

**SECRETARIAL AUDITOR:**

The provisions of Section 204 of the Companies Act, 2013 is not applicable to the Company.

**DIRECTORS AND KEY MANAGERIAL PERSONEL:**

In accordance with the provisions of the Companies Act, 2013, and the Articles of Association of the Company Mr. Shailendra Apte (DIN: 00017814) retires by rotation in the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Narayan Krishnan placed his resignation from the designation of CFO of the Company w.e.f April 04, 2020.

**MEETINGS OF THE BOARD AND COMMITTEES:**

Eight meetings of the Board were held during the year. The meetings were held on April 10, 2019, May 06, 2019, June 21, 2019, August 06, 2019, September 30, 2019, November 26, 2019, December 30, 2019, January 07, 2020 and March 17, 2020.

The names of members of the Board, their attendance at the Board Meetings are as under:

| Name of Director | Number of Meetings eligible to attend | Number of Meetings attended |
|---|---|---|
| Shailendra Apte | 9 | 9 |
| Sriram Venkatasubramanian | 9 | 9 |
| Anirudh Jain | 9 | 9 |

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 (the "Act").

**RISK MANAGEMENT POLICY**

The company has in place comprehensive risk management policy in order to identify measure, monitor and mitigate various risks pertaining to its business. The primary risks identified are market, credit, financial, operational and regulatory risks. Along with the risk management policy, an adequate internal control system, commensurate to the size and complexity of its business, is maintained to align with the philosophy of the Company. Together they help in achieving the business goals and objectives consistent with the Company's strategies to prevent inconsistencies and gaps between its policies and practices.

In the opinion of the Board, during the financial year 2019-20, the Board has not noticed any elements of risk, which may threaten the existence of the Company.

**PARTICULARS OF LOANS GIVEN, INVESTMENT MADE, GUARANTEE GIVEN AND SECURTIES PROVIDED.**

The Company has disclosed full particulars of loans given, investments made or guarantees given or securities provided in the notes forming a part of the financial statement provided in this Annual Report.

**INTERNAL FINANCIAL CONTROL AND ADEQUACY:**

The internal financial controls with reference to financial statements as designed and implemented by the Company are adequate. During the financial year under review, no material or serious observations have been received from the Statutory auditors of the Company for inefficiency or inadequacy of such controls.

**RELATED PARTY TRANSACTIONS:**

Transaction entered with Related Party for the period under review was on arm's length basis and in the ordinary course of business. Thus, disclosure in Form AOC-2 is not required by the Company.

**PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in **Annexure B**.

**DISCLOSURES BY DIRECTORS:**

The Directors on the Board have submitted notice of interest under section 184(1) and intimation under section 164(2). Since the Company is a wholly owned subsidiary of Centrum Retail Services Limited the requirement of appointing Independent Directors is not applicable to the Company.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Based on the framework of internal financial controls established and maintained by the Company, work performed by the statutory auditors and external agencies, the reviews performed by Management, the Board is of the opinion that the Company's internal financial controls are adequate and effective.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm:

i. that in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;

ii. that we had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit / loss of the Company for that period.

iii. that proper and sufficient care had been taken for the 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 fraud and other irregularities;

iv. that the annual accounts have been prepared on a going concern basis;

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

**PERFORMANCE EVALUATION**

Performance evaluation is not applicable to the Company.

**CORPORATE SOCIAL RESPONSIBILITY**

Since the Company does not fall under the criteria stated under section 135 of the Act, the Company has not developed or implemented a policy for Corporate Social Responsibility. In view of the same no CSR initiative was undertaken by the company.

**CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:**

In view of the nature of activities which are being carried out by the Company, Rules 2A and 2B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption respectively are not applicable to the Company.

Details of foreign exchange earnings and outgo are as below:

| Particulars | 2019-20 (Rs.) | 2018-19 (Rs.) |
|---|---|---|
| Foreign exchange earned in terms of actual inflows | Nil | Nil |
| Foreign exchange outgo in terms of actual outflows | Nil | Nil |

**HUMAN RESOURCE AND EMPLOYEE RELATIONSHIP.**

There is an ongoing emphasis on building a progressive Human Resources culture within the organization. Structured initiatives that foster motivation, team work and result-orientation continue to be addressed.

The Company has adopted "Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace" and has also constituted an Internal Complaints Committee (ICC).

During the period under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**VIGIL MECHANISM**

The Company is not required to establish Vigil Mechanism since the Company does not fall under the criteria specified in Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014.

**GENERAL.**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transaction on these items during the year under review.

1. Details relating to Deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of equity shares (including sweat equity shares) and ESOS to employees of the Company under any scheme.

4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. There were no instance of non-exercising of voting rights in respect of shares purchased directly by the employees under a scheme pursuant to section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debenture) Rules, 2014 and hence no information has been furnished.
6. The Annual Report may be accessed on www.centrum.co.in.

**ACKNOWLEDGEMENTS:**

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from Shareholders, Bankers, regulatory bodies and other business constituents during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in successful performance of the Company during the year. Your Directors look forward to the continued support of all stakeholders in the future.

**By order of the Board**
**For Centrum Insurance Brokers Limited**

| | |
|---|---|
| **Shailendra Apte** | **Anirudh Jain** |
| **Director** | **Director** |
| **DIN: 00017814** | **DIN: 06739367** |

**Place: Mumbai**
**Date: June 19, 2020**

***Note:*** *Annexure B does not form a part of this report. The same are duly filed with MCA and circulated amongst members of the Company as per the relevant provisions. A copy of the same can be obtained on request.*

ANNEXURE A

# FormNo.MGT-9

## EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31/03/2020

[Pursuant to section92(3) of the Companies Act,2013 and rule12(1) of the Companies (Management and Administration) Rules, 2014]

### I.REGISTRATION AND OTHER DETAILS:

| | | |
|---|---|---|
| **i.** | CIN | **U66000MH2016PLC273496** |
| **ii.** | Registration Date | February 25, 2016 |
| **iii.** | Name of the Company | CENTRUM INSURANCE BROKERS LIMITED |
| **iv.** | Category/Sub-Category of the Company | Public Company/Limited by shares |
| **v.** | Address of the Registered office and contact details | Registered and Corporate Office:<br>Centrum House, Vidaynagari Marg, Kalina, Santacruz (East), Mumbai 400098.<br>Contact: 022- 4215 9000 |
| **vi.** | Whether listed company | No |
| **vii.** | Name, Address and Contact details of Registrar and Transfer Agent, if any | Link Intime India Private Limited,C-13, Pannalal Silk Mills Compound, LBS Marg,<br>Bhandup (West), Mumbai-400 078<br>Tel No: +91 22 25946970<br>Fax No: +91 22 25946969 |

### II.PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

| Sr.No. | Name and Description of main products/ services | NIC Code of the Product/ service | % to total turnover of the company |
|---|---|---|---|
| 1 | Insurance Brokerage | 99716100 | 99% |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name And Address Of The Company | CIN/GLN | Holding/ Subsidiary/Associate | %of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1. | **Centrum Retail Services Limited** Centrum House, CST Road, Near Mumbai University, Santacruz (East), Mumbai -400098 | U74999MH2014PLC256774 | Holding Company | 100% | 2(46) |

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentageof Total Equity)

### i. *Category-wise Share Holding*

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during theyear |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoter** | | | | | | | | | |
| ***1) Indian*** | | | | | | | | | |
| a) Individual/ HUF | - | - | - | - | - | - | - | - | - |
| b) Central Govt | - | - | - | - | - | - | - | - | - |
| c) State Govt(s) | - | - | - | - | - | - | - | - | - |
| **Bodies Corp** | 1,03,99,996 | 0 | 1,03,99,996 | 100% | 1,03,99,996 | 0 | 1,03,99,996 | 100% | - |
| **Banks / FI** | - | - | - | - | - | - | - | - | - |
| **Any Other** | - | - | - | - | - | - | - | - | - |
| **Sub-total(A)(1):-** | 1,03,99,996 | 0 | 1,03,99,996 | 100% | 1,03,99,996 | 0 | 1,03,99,996 | 100% | - |
| **Foreign** | | | | | | | | | |
| **NRIs-Individuals** | - | - | - | - | - | - | - | - | - |
| **Other-Individuals** | - | - | - | - | - | - | - | - | - |
| **Bodies Corp.** | - | - | - | - | - | - | - | - | - |
| **Banks / FI** | - | - | - | - | - | - | - | - | - |
| **Any Other....** | - | - | - | - | - | - | - | - | - |
| **Sub-total (A)(2):-** | - | - | - | - | - | - | - | - | - |
| **Public Shareholding** | | | | | | | | | |
| **Institutions** | - | - | - | - | - | - | - | - | - |
| **Mutual Funds** | - | - | - | - | - | - | - | - | - |
| **Banks / FI** | - | - | - | - | - | - | - | - | - |
| **Central Govt** | - | - | - | - | - | - | - | - | - |
| **State Govt(s)** | - | - | - | - | - | - | - | - | - |
| **Venture Capital Funds** | - | - | - | - | - | - | - | - | - |
| **Insurance Companies** | - | - | - | - | - | - | - | - | - |
| **FIIs** | - | - | - | - | - | - | - | - | - |
| **Foreign Venture Capital Funds** | - | - | - | - | - | - | - | - | - |
| **Others (specify)** | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Sub-total (B)(1)** | - | - | - | - | - | - | - | - | - |
| **2. Non Institutions** | | | | | | | | | |
| **Bodies Corp.**<br>**(i) Indian**<br>**(ii) Overseas** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Individuals**<br>**(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh**<br><br>**(ii) Individual shareholders holding nominal share capital in excess of Rs 1lakh** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Others(Specify)** | - | - | - | - | - | - | - | - | - |
| **Sub-total (B)(2)** | - | - | - | - | - | - | - | - | - |
| **Total Public Shareholding (B)=(B)(1)+ (B)(2)** | - | - | - | - | - | - | - | - | - |
| **C. Shares held by Custodian for GDRs & ADRs** | - | - | - | - | - | - | - | - | - |
| **Grand Total (A+B+C)** | 1,03,99,996 | 0 | 1,03,99,996 | 100% | 1,03,99,996 | 0 | 1,03,99,996 | 100% | **-** |

### ii.*Shareholding of Promoters*

| **Sr. No** | **Shareholder's Name** | **Shareholding at the beginning of the year** | | | **Shareholding at the end of the year** | | | |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | % change in share holding during the year |
| **1.** | Centrum Retail Services Limited | 1,03,99,996 | 100% | Nil | 1,03,99,996 | 100% | Nil | **-** |
| | **Total** | **1,03,99,996** | **100%** | **Nil** | **1,03,99,996** | **100%** | **Nil** | **-** |

### iii.*Change in Promoters' Shareholding*

| **Sr. no** | | **Shareholding at the beginning of the year** | | **Cumulative Shareholding during the year** | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| | At the beginning of the year | - | - | - | - |
| | Date wise Increase / Decrease in | | | | - |

| | | | | | |
|---|---|---|---|---|---|
| | Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):<br><br>Allotment (right issue) | - | - | - | |
| | At the End of the year | - | - | - | - |

**(iv) Shareholding Pattern of Top 10 Shareholders (Other than Directors, Promoters and Holders of GDRS and ADRs):**

| SR. No. | Shareholder's Name | **Shareholding at the beginning of the year** | | **Cumulative Shareholding during the year** | |
|---|---|---|---|---|---|
| | | **No. of Shares** | **% of total Shares of the company** | **No. of Shares** | **% of total Shares of the company** |
| - | - | - | - | - | - |

** % has changes a share capital has reduced due to buyback*

**(V) Shareholding of Directors and Key Managerial Personnel**

| **Sr. No.** | **Sriram Venkatasubramanian (Nominee of Centrum Retail Services Limited)** | **Shareholding at the beginning of the year** | | **Cumulative Shareholding during the year** | |
|---|---|---|---|---|---|
| | | **No. of Shares** | **% of total Shares of the company** | **No. of Shares** | **% of total Shares of the company** |
| 1 | At the beginning of the year 01-April 2019 | 1 | 0 | 1 | 0 |
| | Purchase/Sale | - | - | - | - |
| | At the end of the year 31st March, 2020 | 1 | 0 | 1 | 0 |

| **Sr. No.** | **Anirudh Jain (Nominee of Centrum Retail Services Limited)** | **Shareholding at the beginning of the year** | | **Cumulative Shareholding during the year** | |
|---|---|---|---|---|---|
| | | **No. of Shares** | **% of total Shares of the company** | **No. of Shares** | **% of total Shares of the company** |
| 2 | At the beginning of the year 01-April 2019 | 1 | 0 | 1 | 0 |
| | Purchase/Sale | - | - | - | - |
| | At the end of the year 31st March, 2020 | 1 | 0 | 1 | 0 |

| Sr. No. | Shailendra Apte (Nominee of Centrum Retail Services Limited) | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | No. of Shares | % of total Shares of the company |
| 3 | At the beginning of the year 01-April 2019 | 1 | 0 | 1 | 0 |
| | Purchase/Sale | - | - | - | - |
| | At the end of the year 31st March, 2020 | 1 | 0 | 1 | 0 |

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

| Particulars | Secured loans excluding deposits | Unsecured loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| | (Rs) | (Rs) | (Rs) | (Rs) |
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | | | | |
| **Change in indebtedness during the financial year** | | | | |
| Addition (net) | - | - | - | - |
| Reduction | - | - | - | - |
| Exchange difference | - | - | - | - |
| Net change | - | - | - | - |
| **Indebtedness at the end of financial year** | | | | |
| i) Principal Amount | - | - | - | - |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | - | - | - | - |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director ,Whole-time Directors and/or Manager

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/ Manager | Total Amount |
|---|---|---|---|
| | | **Mr. Anirudh Jain Whole Time Director** | |
| | Gross salary<br><br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | 76,97,011/-<br><br>0/- | 76,97,011/-<br><br>0/- |
| | Stock Option | | |
| | Sweat Equity | | |
| | Commission- as % of profit<br>- others, specify… | | |
| | Others, please specify | 30,00,0000 | 30,00,000 |
| | **Total (A)** | **1,06,97,011** | **1,06,97,011** |

**B. Remuneration to other directors: Nil**

**C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD: N.A.**

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OFOFFENCES:

| Type | Section of the companies Act | Brief description | Details of Penalty/ Punishment/Compounding fees imposed | Authority[RD /NCLT/Court] | Appeal made. If any(give details) |
|---|---|---|---|---|---|
| **A.Company** | | | | | |
| Penalty | N.A. | N.A. | N.A. | N.A. | N.A. |
| Punishment | N.A. | N.A. | N.A. | N.A. | N.A. |
| Compounding | N.A. | N.A. | N.A. | N.A. | N.A. |
| **B.Directors** | | | | | |
| Penalty | N.A. | N.A. | N.A. | N.A. | N.A. |
| Punishment | N.A. | N.A. | N.A. | N.A. | N.A. |
| Compounding | N.A. | N.A. | N.A. | N.A. | N.A. |
| **C.OtherOfficersInDefault** | | | | | |
| Penalty | N.A. | N.A. | N.A. | N.A. | N.A. |
| Punishment | N.A. | N.A. | N.A. | N.A. | N.A. |
| Compounding | N.A. | N.A. | N.A. | N.A. | N.A. |

**By order of the Board**
**For Centrum Insurance Brokers Limited**

| | |
|---|---|
| **Shailendra Apte** | **Anirudh Jain** |
| **Director** | **Wholetime Director** |
| **DIN: 00017814** | **DIN: 06739367** |

**Place: Mumbai**
**Date: June 19, 2020**

## INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF CENTRUM INSURANCE BROKERS LIMITED

### Report on the Standalone Ind AS Financial Statements

### Opinion

We have audited the accompanying standalone Ind AS financial statements of **CENTRUM INSURANCE BROKERS LIMITED**("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2020, its profit (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon. The management report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the director report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

**Report on Other Legal and Regulatory Requirements**

(1) As required by the Companies (Auditors' 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 "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(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, Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;

e. On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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, we give our separate Report in “Annexure 2”.

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 would impact its financial position;
ii. The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Ketan N Negandhi & Associates.
Chartered Accountants
FRN-116834W

Ketan N Negandhi
Proprietor
M.no.-102241

Mumbai
Date: -

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **CENTRUM INSURANCE BROKERS LIMITED** on the standalone Ind AS financial statements for the year ended March 31, 2020.

**Report on the Internal Financial Controls over Financial Reporting under 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 **CENTRUM INSURANCE BROKERS LIMITED** ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**
The Board of Directors of the Company 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**
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 specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the 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 standalone Ind AS financial statements, whether due to fraud or error.

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

**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 standalone Ind AS 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 standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS 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, 2020, 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 ICAI.

For Ketan N Negandhi & Associates.
Chartered Accountants
FRN-116834W

Ketan N Negandhi
Proprietor
M.no.-102241

Mumbai
Date: -

Centrum Insurance Brokers Limited
Balance Sheet as at 31st March, 2020

(Rs. in lakhs)

| Particulars | Notes | As at 31st March, 2020 | As at 31st March, 2019 |
|---|---|---|---|
| **I ASSETS** | | | |
| **1 Non-current assets** | | | |
| (a) Property, plant and equipment | 2 | 17.02 | 33.55 |
| (b) Other Intangible assets | 3 | 7.56 | 8.48 |
| (c) Financial Assets | 4 | 10.00 | 10.00 |
| (d) Deferred tax assets(net) | 5 | 2.04 | 1.26 |
| (e) Non-current Tax Assets (net) | 6 | 222.32 | 97.31 |
| **2 Current Assets** | | | |
| (a) Financial Assets | | | |
| i) Trade receivables | 7 | 116.78 | 134.88 |
| ii) Cash and cash equivalents | 8 | 31.68 | 139.14 |
| iii) Bank balances other than (ii) above | 9 | 40.10 | 240.00 |
| iv) Others | 4 | 475.00 | - |
| (b) Other current assets | 10 | 40.92 | 11.26 |
| **Total Assets** | | **963.41** | **675.88** |
| **II EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Share capital | 11 | 1,040.00 | 1,040.00 |
| (b) Other equity | 12 | (131.51) | (412.04) |
| **LIABILITIES** | | | |
| **1 Non-Current Liabilities** | | | |
| (a) Financial liabilities | | | |
| i) Other financial liabilities | 13 | - | 1.93 |
| (b) Provisions | 14 | 3.88 | 4.80 |
| (c) Deferred tax liabilities (Net) | 5 | - | - |
| **2 Current liabilities** | | | |
| (a) Financial liabilities | | | |
| i) Borrowings | | | |
| ii) Trade payables | 15 | 36.36 | 8.39 |
| i) Other financial liabilities | 16 | 6.96 | 3.54 |
| (b) Other current liabilities | 17 | 6.79 | 28.72 |
| (c) Provisions | 14 | 0.93 | 0.55 |
| **Total Equity and Liabilities** | | **963.41** | **675.88** |

Significant accounting policies
The accompanying notes form an integral part of these Financial Statements.

As per our attached report of even date

**For Ketan Negandhi & Associates**
**Chartered Accountants**
**Firm Registration No:- 116834W**

**For and on behalf of the Board of Directors**
**Centrum Insurance Brokers Limited.**

**Ketan N. Negandhi**
**Proprietor**
**Membership No:- 102241**

**Shailendra Apte**
**Director**
**DIN : 00017814**

**Anirudh Jain**
**Director**
**DIN : 06739367**

**Place:- Mumbai**
**Date :- 19/06/2020**
UDIN : 20102241AAAAAL1118

**Tanvi Mhamunkar**
**Company Secretary**

Centrum Insurance Brokers Limited

Statement of Profit and Loss for the period ended 31st March, 2020

(Rs. in lakhs)

| Particulars | Notes | For the Period Ended 31st March, 2020 | For the Period Ended 31st March, 2019 |
|---|---|---|---|
| I. Revenue from operations | 18 | 1,421.89 | 655.74 |
| II. Other income | 19 | 41.08 | 12.97 |
| **III. Total Income (I + II)** | | 1,462.97 | 668.71 |
| **IV. Expenses:** | | | |
| Employee benefits expense | 20 | 311.27 | 451.80 |
| Finance costs | 21 | - | 0.40 |
| Depreciation and amortization expense | 22 | 12.62 | 15.55 |
| Other Expenses | 23 | 863.42 | 196.77 |
| **Total expenses (IV)** | | **1,187.32** | **664.51** |
| **V. Profit/(loss) before tax (III- IV)** | | **275.65** | **4.19** |
| **VI. Tax expense:** | 24 | | |
| Current tax | | - | 2.31 |
| Deferred tax | | (1.81) | (2.38) |
| **VII. Profit/(loss) for the period (V-VI)** | | **277.46** | **4.25** |
| | | | |
| **VIII. Other Comprehensive Income** | | | |
| **(i) Items that will not be reclassified to profit or loss** | | | |
| I. Remeasurement of Post Employment Benefit / Obligations | | 4.11 | 7.80 |
| II. Income tax effect | | (1.04) | (2.03) |
| **Other Comprehensive Income for the year (net of tax) (VIII)** | | 3.08 | 5.77 |
| **IX. Total Comprehensive Income for the year (VII+VIII)** | | **280.54** | **10.02** |
| **X. Earnings per equity share:** | 25 | | |
| **Basic** | | 2.67 | 0.05 |
| **Diluted** | | 2.67 | 0.05 |

Significant accounting policies

The accompanying notes form an integral part of these Financial Statements.

As per our attached report of even date

**For Ketan Negandhi & Associates**
**Chartered Accountants**
**Firm Registration No:- 116834W**

**For and on behalf of the Board of Directors**
**Centrum Insurance Brokers Limited.**

**Ketan N. Negandhi**
**Proprietor**
**Membership No:- 102241**

**Shailendra Apte**
**Director**
**DIN : 00017814**

**Anirudh Jain**
**Director**
**DIN : 06739367**

**Place:- Mumbai**
**Date :- 19/06/2020**
**UDIN : 20102241AAAAAL1118**

**Tanvi Mhamunkar**
**Company Secretary**

Centrum Insurance Brokers Limited

Statement of Cash Flows for the period ended March 31, 2020

(Rs. in lakhs)

| Particulars | For the Period Ended 31st Mar, 2020 | For the Period Ended 31st Mar, 2019 |
|---|---|---|
| **Profit / (Loss) before income tax** | **275.65** | **4.19** |
| Adjustments for | | |
| Depreciation and amortisation expense | 12.62 | 15.55 |
| Interest Expense | - | 0.40 |
| Employee Benefits | 4.11 | 7.80 |
| Profit on sale of fixed assets | (2.56) | (1.61) |
| Interest Income | (34.67) | (11.22) |
| **Operating profit /(Loss) before working capital changes** | **255.14** | **15.11** |
| (Increase)/Decrease in trade receivables | 18.10 | (25.36) |
| (Increase)/Decrease in other financial asset | - | - |
| (Increase)/Decrease in other current asset | (29.66) | (0.51) |
| (Increase)/Decrease in Non Current Tax Assets (Net) | (250.03) | (135.57) |
| Increase/(Decrease) in other financial liabilities | 1.50 | (88.88) |
| Increase/(Decrease) in provisions | (0.54) | (7.20) |
| Increase/(Decrease) in other current liabilities | (21.93) | (6.45) |
| Increase/(Decrease) in Trade Payables | 27.97 | |
| **Cash generated from operations** | **0.55** | **(248.86)** |
| Income taxes paid | 125.02 | 66.63 |
| **Net cash inflow /(outflow) from operating activities** | **125.57** | **(182.24)** |
| **Cash flows from investing activities** | | |
| Investment in Fixed Deposits | (300.10) | (206.93) |
| Proceeds from closure of Fixed Deposits | 500.00 | |
| Net proceeds from sale of Fixed assets | 7.39 | 1.61 |
| Interest received | 34.67 | 11.22 |
| Loans Given | (675.00) | |
| Loan repayment received | 200.00 | |
| **Net cash inflow / (outflow) from investing activities** | **(233.03)** | **(194.11)** |
| **Cash flows from financing activities** | | |
| Issue of Shares | - | 390.00 |
| Loans Given | - | - |
| Loan repayment received | - | - |
| Interest received | - | - |
| Interest paid | - | (0.40) |
| **Net cash inflow / (outflow) from financing activities** | **-** | **389.60** |
| **Net increase / (decrease) in cash and cash equivalents** | **(107.47)** | **13.26** |
| Cash and cash equivalents at the beginning of the financial year | 139.14 | 125.89 |
| **Cash and cash equivalents at end of the year (Refer Note 8 )** | **31.68** | **139.14** |

**Notes:**

1. All figures in bracket are outflow.
2. The above cash flow statement has been prepared under the 'Indirect Method' as set out in Ind AS 7- Statement of Cash flow

Significant accounting policies

The accompanying notes form an integral part of these Financial Statements.

As per our attached report of even date

| | | |
|---|---|---|
| **For Ketan Negandhi & Associates** | **Shailendra Apte** | **Anirudh Jain** |
| **Chartered Accountants** | **Director** | **Director** |
| **Firm Registration No:- 116834W** | **DIN : 00017814** | **DIN : 06739367** |

| | |
|---|---|
| **Ketan N. Negandhi** | |
| **Proprietor** | **Tanvi Mhamunkar** |
| **Membership No:- 102241** | **Company Secretary** |

**Place:- Mumbai**

**Date :- 19/06/2020**

**UDIN : 20102241AAAAAL1118**

Centrum Insurance Brokers Limited
Notes forming Part of Financial Statements

Note 2: Property, plant and equipment (Rs. in lakhs)

| Particulars | Furniture & Fixtures | Office Equipment | Computers | Total |
|---|---|---|---|---|
| Year ended 31 March 2019 | | | | |
| **Gross carrying amount** | | | | |
| Gross Carrying amount as at 1 April 2018 | 8.55 | 6.96 | 39.46 | 54.98 |
| Additions | - | - | - | - |
| Disposals | - | - | - | - |
| **At 31st Mar 2019** | **8.55** | **6.96** | **39.46** | **54.98** |
| **Accumulated depreciation** | | | | |
| As at 1 April 2018 | 0.01 | 0.00 | 6.79 | 6.80 |
| Depreciation charge during the year | 0.81 | 1.32 | 12.50 | 14.63 |
| Disposals | - | - | - | - |
| **At 31st Mar 2019** | **0.82** | **1.33** | **19.28** | **21.43** |
| **Net carrying amount as at 31st Mar 2019** | **7.73** | **5.63** | **20.18** | **33.55** |
| | | | | |
| Year ended 31 March 2020 | | | | |
| **Gross carrying amount** | | | | |
| Gross Carrying amount as at 1 April 2019 | 8.55 | 6.96 | 39.46 | 54.98 |
| Additions | | | | - |
| Disposals | | | (19.27) | (19.27) |
| **At 31st March 2020** | **8.55** | **6.96** | **20.19** | **35.70** |
| **Accumulated depreciation** | | | | |
| **As at 1 April 2019** | 0.82 | 1.33 | 19.28 | 21.43 |
| Depreciation charge during the year | 0.81 | 1.33 | 9.57 | 11.71 |
| Disposals | | | (14.45) | (14.45) |
| **At 31st March 2020** | **1.64** | **2.65** | **14.40** | **18.68** |
| **Net carrying amount as at 31 March 2020** | **6.92** | **4.31** | **5.79** | **17.02** |

Centrum Insurance Brokers Limited
Notes forming Part of Financial Statements

## Note 3: Intangible assets

(Rs. in lakhs)

| Particulars | Computer Software |
|---|---|
| **Year ended 31 March 2019** | |
| **Gross carrying amount** | |
| Gross Carrying amount as at 1 April 2018 | 9.62 |
| Additions | |
| **At 31st Mar 2019** | **9.62** |
| **Accumulated amortisation** | |
| Opening accumulated amortisation | 0.23 |
| Amortisation charge for the year | 0.91 |
| **At 31st Mar 2019** | **1.15** |
| **Net carrying amount as at 31st Mar 2019** | **8.48** |
| | |
| **Year ended 31 March 2020** | |
| **Gross carrying amount** | |
| Gross Carrying amount as at 1 April 2019 | 9.62 |
| Additions | |
| **At 31st March 2020** | **9.62** |
| **Accumulated amortisation and impairment** | |
| Opening accumulated amortisation | 1.15 |
| Amortisation charge for the year | 0.92 |
| **At 31st March 2020** | **2.06** |
| **Net carrying amount as at 31 March 2020** | **7.56** |

Centrum Insurance Brokers Limited
Notes forming Part of Financial Statements

Note 4: Other financial assets (Rs. in lakhs)

| Particulars | 31 March 2020 | | 31 March 2019 | |
|---|---|---|---|---|
| | Current | Non- current | Current | Non- current |
| **Unsecured, considered good unless otherwise stated** | | | | |
| Bank Deposits more than 12 months | - | 10.00 | - | 10.00 |
| Loan to Related Party | 475.00 | | | |
| Others | - | - | - | - |
| **Total other financial assets** | **475.00** | **10.00** | **-** | **10.00** |

Note 5: Deferred tax assets/(liabilities) (net) (Rs. in lakhs)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| **Deferred tax asset on account of:** | | |
| Employee benefit expenses | 2.77 | 0.93 |
| MAT credit Entitlement | - | 2.31 |
| Other Liabilities and Provisions | 0.80 | 0.82 |
| **Deferred tax liability on account of:** | - | - |
| Difference between book depreciation and tax depreciation | (1.53) | -2.80 |
| **Net deferred tax assets/(liabilities)** | **2.04** | **1.26** |

Note 5(a): Movements in deferred tax assets/(liabilities) (Rs. in lakhs)

| Particulars | Property, plant & equipment | Provision for Employee benefits | MAT Credit Entitlement | Other Liabilities and Provisions | Total |
|---|---|---|---|---|---|
| **At April 01, 2018** | **-2.95** | **3.51** | **0.00** | **0.34** | **0.91** |
| (Charged) / Credited | | | | | |
| - to profit or loss | 0.15 | -0.56 | 2.31 | 0.48 | 2.38 |
| - to other comprehensive income | | -2.03 | | | -2.03 |
| **At March 31, 2019** | **-2.80** | **0.93** | **2.31** | **0.82** | **1.26** |
| (Charged) / Credited | | | | | |
| - to profit or loss | 1.27 | 2.87 | -2.31 | -0.02 | 1.81 |
| - to other comprehensive income | | -1.04 | | | -1.04 |
| **At March 31, 2020** | **(1.53)** | **2.77** | **-** | **0.80** | **2.04** |

Note 6: Non-Current Tax Assets (Net) (Rs. in lakhs)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Advance tax (Net of Provision) | 222.32 | 97.31 |
| **Total Non-current tax assets (net)** | **222.32** | **97.31** |

Note 7: Trade receivables (Rs. in lakhs)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Unsecured, considered good | 119.72 | 134.88 |
| Less: Allowances as per expected credit loss model | (2.94) | - |
| **Total trade receivables** | **116.78** | **134.88** |

**Note (a):** No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Further no trade or other receivable are due from firms or private companies respectively in which any director is a partner, or director or member.

**Note (b):** The company's exposure to credit risk related to trade receivables are disclosed in **Note 31**

Note 8: Cash and cash equivalents (Rs. in lakhs)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Balances with banks in current account | 31.65 | 109.10 |
| Cash on hand | 0.03 | 0.04 |
| IDBI Gift Card | - | 30.00 |
| **Total cash and cash equivalents** | **31.68** | **139.14** |

There are no restrictions with regards to bank balances as at the end of the reporting period and prior periods.

Note 9: Other Bank Balances (Rs. in lakhs)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Deposit with original maturity of more than 3 months and less than 12 months | 40.10 | 240.00 |
| **Total other bank balances** | **40.10** | **240.00** |

-

Note 10: Other current assets (Rs. in lakhs)

| Particulars | 31 March 2020 | 31 March 2019 |
|---|---|---|
| Prepaid Expenses | 1.89 | 0.25 |
| Others | 27.62 | 2.73 |
| Advance to creditors | 0.35 | - |
| Accrued Interest on Fixed Deposit & ICD | 11.06 | 8.28 |
| **Total other current assets** | **40.92** | **11.26** |

Centrum Insurance Brokers Limited
Notes forming Part of Financial Statements

## Note 11: Equity Share Capital

**(a) Authorised & Issued Share capital:** (Rs. in lakhs)

| Particulars | As at 31st Mar, 2020 | As at 31st Mar, 2019 |
|---|---|---|
| **Authorised Share Capital** | | |
| 1,15,45,500 (31st March, 2019: 1,15,45,500 ) Equity Shares of Rs. 10 each | 1,154.55 | 1,154.55 |
| **Issued Share Capital** | | |
| 1,03,99,996 (31st March, 2019: 1,03,99,996) Equity Shares of Rs. 10 each | 1,040.00 | 1,040.00 |
| | **1,040.00** | **1,040.00** |

**(b) Subscribed and paid capital** (Rs. in lakhs)

| Particulars | As at 31st Mar, 2020 | | As at 31st Mar, 2019 | |
|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount |
| Equity shares of Rs. 10 each fully paid up | 1,03,99,996 | 1,040.00 | 1,03,99,996 | 1,040.00 |
| **Total** | **1,03,99,996** | **1,040.00** | **1,03,99,996** | **1,040.00** |

**(c) Reconciliation of number of equity shares** (Rs. in lakhs)

| Particulars | No. of Shares | Amount | No. of Shares | Amount |
|---|---|---|---|---|
| **Balance as at the beginning of the year** | **1,03,99,996** | **1,040.00** | **65,00,000** | **650.00** |
| Issued during the year | - | - | **38,99,996** | **390.00** |
| **Balance as at the end of the year** | **1,03,99,996** | **1,040.00** | **1,03,99,996** | **1,040.00** |

**(d) Details of shareholders holding more than 5% shares in the**

| Particulars | As at 31st Mar, 2020 | | As at 31st Mar, 2019 | |
|---|---|---|---|---|
| | No. of Shares | % of holding | No. of Shares | % of holding |
| Centrum Retail Services Limited | 1,03,99,996 | 100.00% | 1,03,99,996 | 100.00% |
| **Total** | **1,03,99,996** | 100.00% | **1,03,99,996** | 100.00% |

**(e) Rights, preferences and restrictions attached to shares**

The company has issued only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Centrum Insurance Brokers Limited

Note 12: Statement of changes in equity for the year ended 31st March 2020

**A. Equity share capital** (Rs. in lakhs)

| Particulars | As at 31st Mar, 2020 | As at 31st Mar, 2019 |
|---|---|---|
| Balance at the beginning of the reporting year | 1,040.00 | 650.00 |
| Changes in Equity Share capital during the year | - | 390.00 |
| **Balance at the end of the reporting year** | **1,040.00** | **1,040.00** |

**B. Other Equity** (Rs. in lakhs)

| Particulars | Reserve and Surplus | Total |
|---|---|---|
| | Retained Earnings | |
| **Balance as at 1st April, 2018** | **(422.07)** | **(422.07)** |
| Profit for the year | 4.25 | **4.25** |
| Other comprehensive income | 5.77 | **5.77** |
| **Balance as at 31st March, 2019** | **(412.04)** | **(412.04)** |
| Profit for the year | 277.46 | **277.46** |
| Other comprehensive income | 3.08 | **3.08** |
| Dividend paid | - | - |
| **Balance as at 31st Mar, 2020** | **(131.51)** | **(131.51)** |

Significant accounting policies

The accompanying notes form an integral part of these Financial Statements.

As per our attached report of even date

**For Ketan Negandhi & Associates**
**Chartered Accountants**
**Firm Registration No:- 116834W**

**For and on behalf of the Board of Directors**
**Centrum Insurance Brokers Limited.**

**Ketan N. Negandhi**
**Proprietor**
**Membership No:- 102241**

**Shailendra Apte**
**Director**
**DIN : 00017814**

**Anirudh Jain**
**Director**
**DIN : 06739367**

**Place:- Mumbai**
**Date :- 19/06/2020**
**UDIN : 20102241AAAAAL1118**

**Tanvi Mhamunkar**
**Company Secretary**

Centrum Insurance Brokers Limited
Notes forming Part of Financial Statements

**Note 12: Other Equity** (Rs. in lakhs)

| Particulars | Note | As at 31st Mar, 2020 | As at 31st Mar, 2019 |
|---|---|---|---|
| Retained Earnings | (i) | (131.51) | (412.04) |
| **Total** | | **(131.51)** | **(412.04)** |

**(i) Retained Earnings**
Retained Earnings are the profits of the company earned till date net of appropriations.

| Particulars | As at 31st Mar, 2020 | As at 31st Mar, 2019 |
|---|---|---|
| Balance at the beginning of the year | (412.04) | (422.07) |
| Movement during the year | 280.54 | 10.02 |
| **Balance at the end of the year** | **(131.51)** | **(412.04)** |

Note - Retained earnings represents surplus/ accumulated earnings of the Company and are available for distribution to shareholders.

Centrum Insurance Brokers Limited
Balance Sheet as at 31st March, 2020

**Note 13: Other Non-Current Financial Liabilities** (Rs. in lakhs)

| Particulars | As at 31st Mar, 2020 | As at 31st Mar, 2019 |
|---|---|---|
| Outstanding Expenses (Provision for Deferred Rent) | - | 1.93 |
| **Total** | **-** | **1.93** |

**Note 14: Provisions** (Rs. in lakhs)

| Particulars | As at 31st Mar, 2020 | As at 31st Mar, 2019 |
|---|---|---|
| **(a) Provision for Gratuity (Refer Note 29):** | | |
| Current | - | - |
| Non current | - | - |
| **(b) Provision for compensated absences (Refer Note 29):** | | |
| Current | 0.93 | 0.55 |
| Non current | 3.88 | 4.80 |
| **Total Non-Current** | **3.88** | **4.80** |
| **Total Current** | **0.93** | **0.55** |

**Note 15: Trade Payables** (Rs. in lakhs)

| Particulars | As at 31st Mar, 2020 | As at 31st Mar, 2019 |
|---|---|---|
| Trade payables | 36.36 | 8.39 |
| **Total trade payables** | **36.36** | **8.39** |

**Note 16: Other Current Financial Liabilities** (Rs. in lakhs)

| Particulars | As at 31st Mar, 2020 | As at 31st Mar, 2019 |
|---|---|---|
| Provision for Expenses | 6.92 | 2.05 |
| Employee related liabilities | 0.04 | 1.49 |
| **Total other current financial liabilities** | **6.96** | **3.54** |

**Note 17: Other Current Liabilities** (Rs. in lakhs)

| Particulars | As at 31st Mar, 2020 | As at 31st Mar, 2019 |
|---|---|---|
| Advance received from customers | 1.79 | - |
| Statutory Dues Payable | 4.99 | 28.72 |
| **Total other current liabilities** | **6.79** | **28.72** |

Centrum Insurance Brokers Limited
Notes forming Part of Financial Statements

**Note 18: Revenue from Operations** (Rs. in lakhs)

| Particulars | For the Period Ended 31st Mar, 2020 | For the Period Ended 31st Mar, 2019 |
|---|---|---|
| Insurance Brokerage Income | 1,421.89 | 655.74 |
| **Total revenue from operations** | **1,421.89** | **655.74** |

**Note 19: Other income** (Rs. in lakhs)

| Particulars | For the Period Ended 31st Mar, 2020 | For the Period Ended 31st Mar, 2019 |
|---|---|---|
| Interest income from Fixed Deposits | 15.94 | 10.29 |
| Interest Income - Other | 18.74 | 0.92 |
| Gain on sale of Fixed Assets | 2.56 | 1.61 |
| Other Misc Income | 3.84 | 0.15 |
| **Total other income** | **41.08** | **12.97** |

**Note 20: Employee benefit expense** (Rs. in lakhs)

| Particulars | For the Period Ended 31st Mar, 2020 | For the Period Ended 31st Mar, 2019 |
|---|---|---|
| Salaries and wages | 289.19 | 419.61 |
| Contributions to provident and other funds | 17.83 | 28.94 |
| Staff welfare expenses | 4.26 | 3.25 |
| **Total employee benefit expenses** | **311.27** | **451.80** |

**Note 21: Finance costs** (Rs. in lakhs)

| Particulars | For the Period Ended 31st Mar, 2020 | For the Period Ended 31st Mar, 2019 |
|---|---|---|
| Other Interest cost | - | 0.40 |
| **Total finance costs** | **-** | **0.40** |

**Note 22: Depreciation and amortisation expense** (Rs. in lakhs)

| Particulars | For the Period Ended 31st Mar, 2020 | For the Period Ended 31st Mar, 2019 |
|---|---|---|
| Depreciation of property, plant and equipment | 11.71 | 14.63 |
| Amortisation of intangible assets | 0.92 | 0.91 |
| **Total depreciation and amortisation expenses** | **12.62** | **15.55** |

| Note 23: Other expenses | | (Rs. in lakhs) |
|---|---|---|
| **Particulars** | **For the Period Ended 31st Mar, 2020** | **For the Period Ended 31st Mar, 2019** |
| Rent | 220.58 | 51.56 |
| Travelling and Conveyance | 12.55 | 29.29 |
| Auditor's Remuneration (Refer note 22 (a)) | 0.25 | 0.25 |
| Legal and Professional Charges | 24.54 | 22.88 |
| Office Expenses | 13.28 | 12.36 |
| Professional Charges - Management | 387.89 | 2.58 |
| Business Promotion Meeting and Conference Expenses | 61.69 | 53.91 |
| Conference & Meeting Expenses | 118.00 | - |
| Utilities Expenses | 6.55 | 3.39 |
| Registration and filing fees | 0.54 | 6.87 |
| Bad Debts written off | 0.03 | - |
| Computer / Software Expenses | 10.57 | 9.87 |
| Insurance | 3.15 | 2.53 |
| Allowance for doubtful debts - trade receivables | 2.94 | - |
| Miscellaneous Expenses | 0.88 | 1.28 |
| **Total other expenses** | **863.42** | **196.77** |

| Note 22(a): Details of payments to auditors | | (Rs. in lakhs) |
|---|---|---|
| **Particulars** | **For the Period Ended 31st Mar, 2020** | **For the Period Ended 31st Mar, 2019** |
| Audit fee | 0.25 | 0.25 |
| **Total payments to auditors** | **0.25** | **0.25** |

**Note 23:** The provisions of Section 135 (Corporate Social Responsibility) of the Companies Act, 2013 read together with the rules framed there under relating to CSR initiatives which need to be undertaken by specified companies are at present not applicable to the Company.

Centrum Insurance Brokers Limited
Notes forming Part of Financial Statements

Note 24: Income tax expense (Rs. in lakhs)

| Particulars | For the Period Ended 31st Mar, 2020 | For the Period Ended 31st Mar, 2019 |
|---|---|---|
| **Income tax expense** | | |
| **Current tax** | | |
| Current tax on profits for the year | - | 2.31 |
| **Total current tax expense** | **-** | **2.31** |
| **Deferred tax** | | |
| Addition / Reversal of deferred tax asset | (1.81) | (2.38) |
| **Total deferred tax expense/(benefit)** | **(1.81)** | **(2.38)** |
| **Income tax expense** | **(1.81)** | **(0.07)** |

(b) Reconciliation of effective tax rate: (Rs. in lakhs)

| Particulars | For the Period Ended 31st Mar, 2020 | For the Period Ended 31st Mar, 2019 |
|---|---|---|
| Profit/(Loss) before income tax expense | 275.65 | 4.19 |
| **Enacted income tax rate in India applicable to the Company 25.17% (2018-2019 - 26%)** | 69.37 | 1.09 |
| **Tax effect of:** | | |
| Previously unrecognised tax losses now recouped to reduce current tax expenses | (71.43) | (1.16) |
| Adjustment in deferred tax through OCI | (1.04) | - |
| Adjustment in deferred tax of previous years | 2.31 | - |
| Adjustment of provision for doubtful debts in deferred tax | (0.74) | - |
| Others | (0.29) | - |
| **Income tax expense** | **(1.81)** | **(0.07)** |
| **Weighted average tax rate for the year** | **-0.66%** | **-1.70%** |

(c) Tax Losses (Rs. in lakhs)

| Particulars | For the Period Ended 31st Mar, 2020 | For the Period Ended 31st Mar, 2019 |
|---|---|---|
| Unused Tax losses for which no deferred tax asset has been recognised | 125.79 | 401.44 |
| Potential Tax benefit @ 25.17% | 31.66 | 104.37 |

**(d) Amounts recognised directly in equity**

No aggregate amounts of current and deferred tax have arisen in the reporting period which have been recognised in equity.

Centrum Insurance Brokers Limited
Notes forming Part of Financial Statements

**Note 25: Earnings per share** (Rs. in lakhs)

| Particulars | For the Period Ended 31st Mar, 2020 | For the Period ended 31st Mar, 2019 |
|---|---|---|
| Face Value per equity share in Rupees | 10 | 10.00 |
| **Basic Earning per share** | 2.67 | 0.05 |
| Net profit after Tax as per statement of Profit and Loss attributable to Equity Shareholders | 277.46 | 4.25 |
| Weighted Average number of equity shares used as denominator for calculating Basic EPS | 1,03,99,996 | 84,66,025 |
| **Diluted Earnings per share** | 2.67 | 0.05 |
| Net profit after Tax as per statement of Profit and Loss attributable to Equity Shareholders | 277.46 | 4.25 |
| Weighted Average number of equity shares used as denominator for calculating Diluted EPS | 1,03,99,996 | 84,66,025 |
| **Reconciliation of Weighted average number of shares outstanding** | | |
| **Weighted Average number of equity shares used as denominator for calculating Basic EPS** | **1,03,99,996** | **84,66,025** |

**Centrum Insurance Brokers Limited**
**Notes forming Part of Financial Statements**

**Note 26: Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital and reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard the Company's ability to remain as a going concern and maximise the shareholder value.

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. Management monitors the return on capital.

The Company has adequate cash and bank balances and no interest bearing liabilities. The Company monitors its capital by a careful scrutiny of the cash and bank balances and a regular assessment of any debt requirements. In the absence of any interest bearing debt, the maintenance of the debt equity ratio etc. may not be of any relevance to the Company.

Centrum Insurance Brokers Limited
Notes forming Part of Financial Statements

## Note 27: Related Party disclosures

a) **Details of related parties:**

| Description of relationship | Name of the related party |
|---|---|
| Ultimate Holding Company | Centrum Capital Limited |
| Holding Company | Centrum Retail Services Limited |
| Key Managerial Personnel | Mr. Anirudh Jain |
| Fellow Subsidiary (with whom the Company have transaction) | Centrum Direct Limited (till 02/04/2018) |
| | Centrum Wealth Management Ltd |
| | Club7 Holidays |
| | Calculus Holidays Pvt Limited |
| | Centrum Micorcredit Limited |

b) **Details of related party transactions for the period ended on 31st Mar, 2020:** (Rs. in lakhs)

| Name of the related party | Nature of Transaction | For the Period Ended 31st Mar, 2020 | For the Period Ended 31st Mar, 2019 |
|---|---|---|---|
| **Centrum Retail Services Limited** | Reimbursement of other expenses | 6.85 | 4.01 |
| | Professional Charges - Management | 387.89 | - |
| | Rent Expenses | 219.15 | 48.10 |
| | Shares purchased | - | 390.00 |
| | Interest Income | 9.57 | 0.92 |
| | Loan Given | 475.00 | 100.00 |
| | Loan Received back | - | 100.00 |
| | Loan Taken | - | 50.00 |
| | Loan Repaid | - | 50.00 |
| **Centrum Capital Limited** | Reimbursement of Insurance Expenses | 0.97 | 5.00 |
| | Electricity | 0.11 | - |
| | Rent Paid | 0.25 | - |
| **Centrum Wealth Management Ltd** | Reimbursement of Expenses | - | 0.32 |
| | Rent | 0.93 | 2.02 |
| | Electricity | 0.13 | - |
| | Interest Accrued on advance | 9.16 | - |
| | Advance Given | 200.00 | - |
| | Advance Received | 200.00 | - |
| **Club 7 Holidays Limited** | Travelling Expenses incurred | 7.45 | 13.83 |
| **Calculus Holidays Private Limited** | Sale of Assets | 4.20 | - |
| **Centrum Microcredit Limited** | Sale of Assets | 1.38 | - |
| **Mr. Anirudh Jain** | Reimbursement of Expenses | 1.39 | - |
| **Mr. Anirudh Jain** | Salary to KMP | 106.97 | 78.38 |

c) **Details of balances outstanding for related party transactions** (Rs. in lakhs)

| Particulars | Nature of Transaction | As at 31st Mar, 2020 | As at 31st Mar, 2019 |
|---|---|---|---|
| **Centrum Capital Limited** | Sundry Creditors and other Payables | - | - |
| **Centrum Direct Limited** | Sundry Creditors and other Payables | - | - |
| **Centrum Microcredit Limited** | Sundry Debtors | - | - |
| **Calculus Holidays Private Limited** | Sundry Debtors | - | - |
| **Club 7 Holidays Limited** | Sundry Creditors | 0.39 | 6.48 |
| **Centrum Wealth Management Ltd** | Loans and Advances (Asset) | - | - |
| **Centrum Retail Services Limited** | Sundry Creditors and other Payables | 0.91 | - |
| | Interest Accrued but not due | 9.57 | - |
| | Loans and Advances (Asset) | 475.00 | - |

d) **Key Management Personnel Remuneration**

KMP of the Company is entitled only to the Remuneration in terms of the Salary. Gratuity and Leave encashment has been computed for the company as a whole and hence excluded.

e) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**Centrum Insurance Brokers Limited**
**Notes forming Part of Financial Statements**

**Note 28: Segment Reporting**

The Executive Director of the Company acts as the chief operating decision maker (CODM) of the Company in accordance with Operating Segment (AS 108), for the purpose of assessing the financial performance and position of the Company, and making strategic decisions. The Company's business activity is related to rendering of Insurance Brokerage Services in the field of Life Insurance, General Insurance, and Heath Insurance, which is primarily assessed as a single reportable operating segment in accordance with Ind AS 108 by the CODM. The Company mainly operates in India and has revenue from a single customer exceeding 10% of the total revenue.

**(Rs. in lakhs)**

| Sr. no | Revenue |
|---|---|
| 1 | 781.49 |
| 2 | 463.05 |

Centrum Insurance Brokers Limited
Notes forming Part of Financial Statements

## Note 29: Employee Benefits

### (a) Long term employee benefit obligations

The leave obligations cover the Company's liability for casual and earned leave.
The compensated absences charge/(reversed) for the year ended March 31, 2020 amounting to Rs. 0.38 lakhs (March 31, 2018 - Rs. 4.5 lakhs) has been charged in the Statement of Profit and Loss.

### (b) Post employment obligations

**Defined contribution plans**

The company also contributes on a defined contribution basis to employees' provident fund.
Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The expense recognised during the period towards defined contribution plan

(Rs. in lakhs)

| Particulars | For the Period Ended 31st Mar, 2020 | For the Period Ended 31st Mar, 2019 |
|---|---|---|
| Employer's Contribution to Provident Fund | 12.71 | 20.67 |
| Employer's Contribution to ESIC | 0.28 | 0.48 |

**Defined benefit plans**

**Gratuity**

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan.

(Rs. in lakhs)

| Particulars | Present value of obligation | Fair value of plan assets | Net amount |
|---|---|---|---|
| **As at April 01, 2019** | 10.07 | 12.80 | 22.87 |
| Current service cost | 3.47 | | 3.47 |
| Interest expense/(income) | 0.78 | (1.00) | (0.21) |
| **Total amount recognised in profit and loss** | **4.26** | **(1.00)** | **3.26** |
| **Remeasurements** | | | |
| Return on plan assets, excluding amount included in interest expense/(income) | - | 0.40 | 0.40 |
| Actuarial (Gain )/loss from change in demographic assumptions | 1.31 | - | 1.31 |
| Actuarial (Gain )/loss from change in financial assumptions | 0.09 | - | 0.09 |
| Actuarial (Gains)/loss from Experience | (5.90) | - | (5.90) |
| **Total amount recognised in other comprehensive income** | **(4.51)** | **0.40** | **(4.11)** |
| Employer contributions | - | 0.22 | 0.22 |
| Benefit paid | - | - | - |
| **As at March 31, 2020** | **9.81** | **13.62** | **23.95** |

The net liability disclosed above relates to gratuity are as follows:

(Rs. in lakhs)

| Particulars | 31st March, 2020 | 31st March, 2019 |
|---|---|---|
| Fair value of plan assets | 13.62 | 12.80 |
| Present value of funded obligations | 9.81 | 10.07 |
| **Funded Status Surplus/(Deficit)** | 3.81 | 2.73 |
| **Net (Liability)/Asset Recognized in the Balance Sheet** | **3.81** | **2.73** |

**Categories of plan assets are as follows:**

(Rs. in lakhs)

| Particulars | 31st March, 2020 | 31st March, 2019 |
|---|---|---|
| Insurer managed funds | 13.62 | 12.80 |
| **Total** | **13.62** | **12.80** |

**Significant estimates: Actuarial assumptions and sensitivity**

The significant actuarial assumptions were as follows:

| Particulars | 31st March, 2020 | 31st March, 2019 |
|---|---|---|
| Expected Return on Plan Assets | 6.56% | 7.79% |
| Rate of Discounting | 6.56% | 7.79% |
| Rate of Salary Increase | 0% p.a for next 2 years, 6.26% p.a. for next 1 year, starting from 3rd year 5% p.a | 5.00% |
| Rate of Employee Turnover | 10.00% | 2.00% |
| Mortality Rate during Employment (IALM | Indian Assured Lives Mortality (2006-08) | Indian Assured Lives Mortality (2006-08) |

Centrum Insurance Brokers Limited
Notes forming Part of Financial Statements

**Sensitivity analysis**
The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is: **(Rs. in lakhs)**

| Particulars | Change in assumptions | | Impact on Profit and Loss | | | |
|---|---|---|---|---|---|---|
| | | | Increase in assumptions | | Decrease in assumptions | |
| | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 | 31 March 2020 | 31 March 2019 |
| Discount rate | 1.00% | 1.00% | (0.65) | (1.29) | 0.74 | 1.54 |
| Salary Increase | 1.00% | 1.00% | 0.67 | 1.57 | (0.51) | (1.34) |
| Employee Turnover | 1.00% | 1.00% | 0.01 | 0.19 | (0.02) | (0.25) |

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

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

**Risk exposure**

**Interest Rate risk:** A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A
**Salary Risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in
**Mortality Risk:** Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
**Concentration Risk:** Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets.
**Asset Liability Matching Risk:** The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax
**Investment Risk:** The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market

**Employer expected contributions**

Expected contributions to post-employment benefit plans for the year ending March 31, 2019 is 0.73 lakhs.

The weighted average duration of the defined benefit obligation is 8 years (March 31, 2019 – 17 years). The expected maturity analysis of undiscounted gratuity is as follows:

**(Rs. in lakhs)**

| Particulars | Less than a year | Between 2-5 years | Over 5 years | Total |
|---|---|---|---|---|
| **March 31, 2020** | | | | |
| Defined benefit obligation (gratuity) | 0.80 | 3.77 | 4.05 | **8.62** |
| **March 31, 2019** | | | | |
| Defined benefit obligation (gratuity) | 0.03 | 1.29 | 2.24 | **3.56** |

Centrum Insurance Brokers Limited
Notes forming Part of Financial Statements

## Note 30: Fair Value Measurements

### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(Rs. in lakhs)

| Financial Assets and Liabilities as at 31st Mar, 2020 | Carrying value | | | Routed through Profit and Loss | | | | Routed through Other Comprehensive Income | | | | Carried at amortised cost | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Non Current | Current | Total | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | | | | | | | | | | |
| Trade receivable | - | 116.78 | 116.78 | - | - | - | - | - | - | - | - | - | - | 116.78 | 116.78 |
| Cash and Cash equivalents | - | 31.68 | 31.68 | - | - | - | - | - | - | - | - | - | - | 31.68 | 31.68 |
| Other Bank Balance | - | 40.10 | 40.10 | - | - | - | - | - | - | - | - | - | - | 40.10 | 40.10 |
| Other Financial Assets | 10.00 | 475.00 | 485.00 | - | - | - | - | - | - | - | - | - | - | 485.00 | 485.00 |
| **Total** | **10.00** | **663.56** | **673.56** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **673.56** | **673.56** |
| | | | | | | | | | | | | | | | |
| **Financial Liabilities** | | | | | | | | | | | | | | | |
| Other Financial Liabilities | - | 6.96 | 6.96 | - | - | - | - | - | - | - | - | - | - | 6.96 | 6.96 |
| **Total** | **-** | **6.96** | **6.96** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **6.96** | **6.96** |

(Rs. in lakhs)

| Financial Assets and Liabilities as at 31st Mar, 2019 | Carrying value | | | Routed through Profit and Loss | | | | Routed through Other Comprehensive Income | | | | Carried at amortised cost | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Non Current | Current | Total | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| **Financial Assets** | | | | | | | | | | | | | | | |
| Trade receivable | - | 134.88 | **134.88** | - | - | - | **-** | - | - | - | **-** | - | - | 134.88 | **134.88** |
| Cash and Cash equivalents | - | 139.14 | **139.14** | - | - | - | **-** | - | - | - | **-** | - | - | 139.14 | **139.14** |
| Other Bank Balance | - | 240.00 | **240.00** | - | - | - | **-** | **-** | - | - | **-** | - | - | 240.00 | **240.00** |
| Other Financial Assets | 10.00 | - | **10.00** | - | - | - | **-** | - | - | - | **-** | - | - | 10.00 | **10.00** |
| **Total** | **10.00** | **514.03** | **524.03** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **524.03** | **524.03** |
| | | | | | | | | | | | | | | | |
| **Financial Liabilities** | | | | | | | | | | | | | | | |
| Other Financial Liabilities | 1.93 | 3.54 | **5.47** | - | - | - | - | - | - | - | - | - | - | 5.47 | **5.47** |
| **Total** | **1.93** | **3.54** | **5.47** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **5.47** | **5.47** |

### B. Measurement of fair value

The fair values of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables and other current liabilities approximate their carrying amounts largely due to short term maturities of these instruments.

### C. Fair Value Hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities. The fair value of equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

Centrum Insurance Brokers Limited
Notes forming Part of Financial Statements

**Note 31: Financial Risk Management**

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's activities expose it to a variety of its financial risk such as credit risk and liquidity risk. The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified are systematically addressed through mitigating actions on a continuing basis.

**(A) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

**i. Trade and Other receivables**

The Company had trade and other receivables of Rs. 116.78 Lakh at Mar 31, 2020 (Mar 31, 2019: 134.88 Lakh) which being short term in nature, no provision is required to be made.

The ageing analysis of trade receivables has been considered from the date the invoice falls due -

Rs. In lakhs

| Particulars | As at 31st Mar, 2020 | As at 31st Mar, 2019 |
|---|---|---|
| Not due | | |
| 0 to 180 days due past due date | 104.27 | 134.86 |
| More than 180 days past due date | 12.51 | 0.02 |
| | **116.78** | **134.88** |

The Company assess that currently, no provision is required to be made for trade receivables.

**ii. Cash and bank balances**

The Company held cash and cash equivalent and other bank balance of Rs. 31.68 Lakh at Mar 31, 2020 (Mar 31, 2019: Rs. 139.14 Lakh). The same are held with bank and financial institution counterparties with good credit rating.

**(B) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management believes that, sufficient liquidity will be available for use as per requirement of the Company and will generate sufficient cash flows from operations to meet its obligations as and when they fall due. Further Company has also worked towards reduction in operating expenses including salaries to avoid any liquidity crunch.

**(i) Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

Rs. In lakhs

| Contractual maturities of financial liabilities 31 March 2020 | 1 year or less | 1-2 years | More than 2 years | Total |
|---|---|---|---|---|
| Short term borrowings | - | - | - | - |
| Trade payables | 36.36 | - | - | 36.36 |
| Other financial liabilities | 6.96 | - | - | 6.96 |
| **Total** | **43.32** | **-** | **-** | **43.32** |

Rs. In lakhs

| Contractual maturities of financial liabilities 31st Mar 2019 | 1 year or less | 1-2 years | More than 2 years | Total |
|---|---|---|---|---|
| Short term borrowings | - | - | - | - |
| Trade payables | - | - | - | - |
| Other financial liabilities | 3.54 | - | - | 3.54 |
| **Total** | **3.54** | **-** | **-** | **3.54** |

**(C) Cash flow and fair value interest rate risk**

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not subject to interest rate risk since there are no borrowings.

**(D) Foreign currency risk**

The Company caters mainly to the Indian Market . Most of the transactions are denominated in the company's functional currency i.e. Rupees. Hence the Company is not exposed to Foreign Currency Risk.

**Centrum Insurance Brokers Limited**
**Notes forming Part of Financial Statements**

**Note 32:** Figures for the previous year have been regrouped/reclassified/rearranged wherever necessary to make them comparable to those for the current year. Figures appearing in the financial statements are rounded off to nearest lakh.

For the Period Ended
31st Mar, 2020

**As per our report of even date**

| | | |
|---|---|---|
| **For Ketan Negandhi & Associates** | **For and on behalf of the Board of Directors** | |
| **Chartered Accountants** | **Centrum Insurance Brokers Limited.** | |
| **Firm Registration No:- 116834W** | | |
| | | |
| **Ketan N. Negandhi** | **Shailendra Apte** | **Anirudh Jain** |
| **Proprietor** | **Director** | **Director** |
| **Membership No:- 102241** | **DIN : 00017814** | **DIN : 06739367** |
| | | |
| **Place:- Mumbai** | | |
| **Date :- 19/06/2020** | | **Tanvi Mhamunkar** |
| **UDIN : 20102241AAAAAL1118** | | **Company Secretary** |

## Notes to the Financial Statements for the year ended March 31, 2020

**Corporate Information**

Centrum Insurance Brokers Limited ('Company) is a Public Limited Company incorporated and domiciled in India. The Company's registered office is in Mumbai, Maharashtra, India. These financial statements correspond to the standalone financial statements of the Company. The Company is primarily involved in the business of rendering Insurance Broking services.
The immediate Parent Company is Centrum Retail Services Limited (CRSL) and the Ultimate Parent Company is Centrum Capital Limited, a Company incorporated in Mumbai, India.

**1.0 Significant accounting policies**

**1.1 Basis of Preparation**

The Financial Statements of the Company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under the historical cost convention and on accrual basis of accounting except as mentioned below.

- Certain financial assets and liabilities are measured at fair value.
- Defined benefit plans – assets are measured at fair value.

GAAP comprises of Indian Accounting Standards (Ind AS) as specified in Section 133 of the Companies Act, 2013 (The 'Act'), pronouncements of regulatory bodies applicable to the Company and other provisions of the Act. Accounting policies have been consistently applied to all the years presented.

The Company has applied following standards and amendments for the first time for their annual reporting period commencing April 1, 2018:

***Ind AS 115, Revenue from Contracts with Customers***

The Company has adopted Ind AS 115, Revenue from Contracts with Customers, effective April 1, 2018, on a modified retrospective basis, applying the standard to all contracts that are not completed as such date. The adoption of Ind AS 115 did not have any significant financial impact and accordingly, no adjustments are made to the amounts recognised in the financial statements. The adoption has resulted in changes to accounting policies and mandated certain disclosures.

**1.2 Statement of Compliance**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) and other relevant provisions of the Act.

**1.3 Property, plant and equipment**

Property, Plant & Equipment's are stated at cost less accumulated depreciation, amortization and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

**Depreciation**

Depreciation on property, plant and equipment is provided on straight-line method over the useful lives of assets as prescribed in Schedule II of the Companies Act, 2013.

| Assets | Estimated useful life specified under Schedule II of the Companies Act 2013 |
|---|---|
| Computers | 3 years |
| Furniture & Fixtures | 10 years |
| Office Equipment | 5 years |
| Leasehold Improvements | 3 years |

## 1.4 Intangible assets

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the intangible asset.

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

**Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditures are recognised in the Statement of Profit or Loss as incurred.

**Amortisation**

The Company capitalizes software and related implementation cost where it is reasonably estimated that the software has an enduring useful life. Software including operating system licenses are amortized over their estimated useful life of 10 years.

**1.5 Borrowing cost**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use. Other borrowing costs are expensed in the period in which they are incurred.

**1.6 Impairment of property, plant and equipment and intangible assets**

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's each class of the property, plant and equipment or intangible assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

**1.7 Revenue recognition**

Revenue is recognised at point in time when economic benefits will flow to the Company and the amount of the revenue can be reliably measured with no uncertainty as regards to ultimate collection.

**Revenue from services**

Income from Insurance Commission and Brokerage are accounted on accrual basis.
The company earns brokerage commission from insurance and reinsurance companies on placement of insurance policies and revenue is recognised from the policy risk start date i.e. when the policy is substantially completed & accepted and ultimate collection thereof is reasonably certain. The company present revenue net of taxes in the statement of profit and loss.

**1.8 Employee benefits**

**Defined contribution plans**

Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the fund is due. There are no other obligations other than the contribution payable to the fund.

**Defined benefit plans**

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet and will not be reclassified to profit or loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Compensated absences:**
Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per Projected Unit Credit Method.

All actuarial gains / losses are immediately taken to the Profit and Loss account and are not deferred.

**1.9 Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

**Current tax**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

**Deferred tax**

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

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

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

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

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the company has a legally enforceable right for such setoff.

MAT Credits are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset.

**Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

## 1.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### A. Financial assets

**(i) Classification, recognition and measurement:**

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument.

The company classifies its financial assets in the following measurement categories:

a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
b) those to be measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and whether the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will be recorded either in profit, loss, or in other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

| Type of instruments | Classification | Rationale for classification | Initial measurement | Subsequent measurement |
|---|---|---|---|---|
| Debt instruments | Amortized cost | Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest on | At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset | Amortized cost is calculated using Effective Interest Rate (EIR) method, taking into account interest income, transaction cost and discount or premium on acquisition. EIR amortization is included in finance Income. Any gain |

| | | | | |
|---|---|---|---|---|
| | | principal amount outstanding are measured at amortised cost. | | and loss on de-recognition of the financial instrument measured at amortised cost recognised in profit and loss account. |
| | Fair value through other comprehensive income (FVOCI) | Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest on principal amount outstanding, are measured at FVOCI. | At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset | Changes in carrying value of such instruments are recorded in OCI except for impairment losses, interest income (including transaction cost and discounts or premium on amortization) and foreign exchange gain/loss which is recognized in income statement.<br><br>Interest income, transaction cost and discount or premium on acquisition are recognized in to income statement (finance income) using effective interest rate method.<br><br>On de-recognition of the financial assets measured at FVOCI, the cumulative gain or loss previously recognized in OCI is classified from Equity to Profit and Loss account in other gain and loss head. |
| | Fair value through profit or loss (FVTPL) | Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain and loss on a debt instrument that is subsequently | At fair value.<br><br>Transaction costs of financial assets expensed to income statement | Change in fair value of such assets are recorded in income statement as other gains/ (losses) in the period in which it arises.<br><br>Interest income from these financial assets is included in the finance income. |

| | | | | |
|---|---|---|---|---|
| | | measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss in the period in which arise. | | |
| Equity instruments | FVOCI | The Company's management has made an irrevocable election at the time of initial recognition to account for the equity investment (On an instrument by instrument basis) at fair value through other comprehensive income. This election is not permitted if the equity investment is held for trading. The classification is made on initial recognition and is irrevocable. | At fair value plus transaction costs that are directly attributable to the acquisition of the financial asset | Change in fair value of such instrument are recorded in OCI.<br>On disposal of such instruments, no amount is reclassified to income statement.<br>Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.<br>Dividend income from such instruments are however recorded in income statement. |
| | FVTPL | When no such election is made, the equity instruments are measured at FVTPL | At fair value.<br>Transaction costs of financial assets expensed to | Change in fair value of such assets are recorded in income statement. |

| | | | | |
|---|---|---|---|---|
| | | | income statement | |

All financial assets are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction costs that are attributable to the acquisition of the financial assets.

**(ii) Impairment:**

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, and bank balance.
b) Trade receivables.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable. At every reporting date, historical observed default rates are updated and changes in the forward- looking estimates are analysed.

**(iii) Derecognition of financial assets:**

A financial asset is derecognised only when

(a) the company has transferred the rights to receive cash flows from the financial asset or
(b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the company has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**B. Financial liabilities and equity instruments :**

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

**Classification, recognition and measurement:**

**(a) Equity Instruments:**
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

**(b) Financial liabilities:**

**Initial recognition and measurement:**

Financial liabilities are initially recognised at fair value plus any transaction that are attributable to the acquisition of the financial liabilities except financial liabilities at FVTPL, which are initially measured at fair value.

**Subsequent measurement:**

The financial liabilities are classified for subsequent measurement into following categories:

- at amortised cost

**(i) Financial liabilities at amortised cost:**

The company is classifying the following under amortised cost;

- Trade payables

Amortised cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus / minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

**(ii) Financial liabilities at fair value through profit or loss:**

Financial liabilities held for trading are measured at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on remeasurement, recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

**Derecognition:**

A financial liability is removed from the balance sheet when the obligation is discharged, or is cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

**C. Offsetting financial instruments :**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**1.11 Fair value measurement:**

The Company measures financial instruments, such as, certain investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised with in the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

**1.12 Provisions and Contingencies**

Provisions for are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are recognised at their fair value only, if they were assumed as part of a business combination. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote. The same applies to contingent assets where an inflow of economic benefits is probable.

**1.13 Cash and cash equivalent:**

Cash and cash equivalents in the Cash Flow Statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

**1.14 Earnings per share:**

The basic Earnings Per Share ("EPS") is computed by dividing the net profit / (loss) after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, net profit / (loss) after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**1.15 Current/ Non-current classification:**

An asset is classified as current if:
- (a) it is expected to be realised or sold or consumed in the Company's normal operating cycle;
- (b) it is held primarily for the purpose of trading;
- (c) it is expected to be realised within twelve months after the reporting period; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current if:
- (e) it is expected to be settled in normal operating cycle;
- (f) it is held primarily for the purpose of trading;
- (g) it is expected to be settled within twelvemonths after the reporting period;
- (h) it has no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between acquisition of assets for processing and their realisation in cash and cash equivalents. The Company's normal operating cycle is twelve months.

**1.16 Ind AS Standard not yet notified:**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

**Ind AS 116 – Leases**

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from accounting periods beginning on or after 1 April 2019.

Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

Where a contract meets Ind AS 116's definition of a lease, lease agreements will give rise to the recognition of a non-current asset representing the right to use the leased item, and a lease liability for future lease payables.

In the Statement of Profit and Loss, lessees will have to present interest expense on the lease liability and depreciation on the right-of-use asset. In the cash flow statement, cash payments for the principal portion of the lease liability and its related interest are classified within financing activities. Payments for short-term leases, leases of low-value assets and variable lease payments not included in the measurement of the lease liability are presented within operating activities.

The Company is in the process of evaluating the impact of adoption of Ind AS 116 on its financial statements and will accordingly consider the same from period beginning April 1, 2019.

**Amendment to Ind AS 12, Income Taxes**

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

This amendment did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

**1.17 Significant accounting estimates, judgements and assumptions:**

The preparation of the Company's financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected.

In the process of applying the Company's accounting policies, management has made the following judgements which have significant effect on the amounts recognised in the financial statements:

a. **Useful lives of property, plant and equipment:** Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalised. Useful life of tangible assets is based on the life specified in Schedule II of the Companies Act, 2013 and also as per management estimate for certain category of assets. Assumption also need to be made, when company assesses, whether as asset may be capitalised and which components of the cost of the assets may be capitalised.

b. **Defined benefit plan:** The cost of the defined benefit gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c. **Allowances for uncollected accounts receivable and advances:** Trade receivables do not carry interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectable. Impairment is made on the expected credit loss model, which are the present value of the cash shortfall over the expected life of the financial assets. The impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. Judgement in making these assumptions and selecting the inputs to the impairment calculation are based on history, existing market condition as well as forward looking estimates at the end of each reporting period.

d. **Contingencies:** Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigation against company as it is not possible to predict the outcome of pending matters with accuracy.

e. **Impact of COVID-19:** The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

   COVID-19 is affecting our business operations, however we believe that awareness of health insurance products has increased multi-fold given the current pandemic situation, which will help insurance sector to grow in near future.

Management believes that, sufficient liquidity will be available for use as per requirement of the Company and will generate sufficient cash flows from operations to meet its obligations as and when they fall due. Further Company has also worked towards reduction in operating expenses including salaries to avoid any liquidity crunch.

While assessing the recoverability of assets such as Trade receivable, Loans etc., Management have considered internal and external information and expects to recover the carrying amount of the same.