

On the Right Side of **Opportunity**



Au INSURANCE
BROKING SERVICES PVT. LTD.



Forward-Looking Statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipate’, ‘estimate’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’, and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievements of results are subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

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Billion-plus population.

Consistent economic growth of over 7% in a slow-growth world.

Rapid urbanisation, rising disposable income; and growing reach of education and mass media.

And yet, India's insurance sector ranks 15th in the world with a penetration of little over 3%.

If we connect the dots, we find that the insurance sector holds a humongous potential due to its sheer size, low penetration; and expected growth in the economy, going forward.

Poor customer awareness, inadequate coverage of the insured, low product innovation and nascent stage of distribution channels are some of the reasons for the low penetration.

The natural corollary of such a situation is that there is enough headroom for growth.

At Au Insurance, we see an important role for ourselves in this widening opportunity landscape.

In an industry that's growing at 15% for the last two years, we have been growing over 112%.

During FY 2015-16, we deepened our presence across nine conjoint states of Rajasthan to reach closer to the customer and expand our business.

We enhanced the level of automation in our business for faster execution.

We decentralised decision-making at the branch level for accelerated turnaround.

We strengthened our marketing muscle and engaged more 'feet on street'.

We did all this and more to provide customised insurance solutions that generate trust and confidence across a large consumer cross-section.

We are young, dynamic and ambitious to make a mark in the high-growth industry we are operating.

Because we are convinced that we are on the right side of opportunity.

Director's Message

The insurance sector globally lends a huge helping hand in catalyzing economies, enhancing social security and elevating human wellbeing.



Abhishek Tiwari
Director, CEO & Principal Officer

Even in India, the role of insurance is substantial. It contributes significantly to India's GDP directly and indirectly and provides employment opportunities to millions of people; besides addressing the issue of social security.

India's insurance sector saw significant growth following liberalisation. The country ranks 11th in the world in the life insurance segment and 20th globally in the non-life segment. Despite its sheer size,

the country ranks 42nd and 76th on penetration and density, respectively.

Moreover, growing population, increasing disposable income, rising aspiration and financial awareness will facilitate consistent growth of the insurance sector, going forward.

The Government of India (GOI) is dedicated to encourage this sector's growth, with special focus on extending insurance facilities to under served and unserved population. In the 2016-17 Union Budget, the government introduced two schemes to offer basic insurance at minimal rates – Pradhan Mantri Suraksha Bima Yojana (PMSBY), a personal accident insurance scheme; Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), a life insurance scheme.

Besides, the Insurance Regulatory and Development Authority of India (IRDAI) has formulated a draft regulation, making it obligatory for insurers to provide insurance cover to rural and economically weaker sections. The government relaxed FDI norms for the insurance sector by permitting overseas companies to buy 49% stake in domestic insurers without prior approval.

With more insurance companies and products coming into the picture, people are seeking advice

from consultants and brokers to acquire knowledge about the most suitable product. In view of these developments, we are looking at attractive growth rates, going forward.

Our competencies

First, being one of the prominent players in the under served regions, we are at an advantageous position to contribute to the government's efforts in insuring rural and economically marginalised sections.

Second, our competence is not limited to selling products, but we make people aware of the necessity of getting insured. Therefore, instead of maintaining a professional relationship, we emphasise on building a personal relationship.

Third, we have strengthened relationships with insurance companies to not only allow customers choose from a wide products range; but also to make the process hassle-free and fast.

Fourth, we have strengthened our IT architecture to integrate and expedite decision-making.

We are in process of setting up an online web portal to make information access more streamlined and effective.



INDIA'S INSURANCE SECTOR SAW SIGNIFICANT GROWTH FOLLOWING LIBERALISATION. **THE COUNTRY RANKS 11TH IN THE WORLD IN THE LIFE INSURANCE SEGMENT AND 20TH GLOBALLY IN THE NON-LIFE SEGMENT.** DESPITE ITS SHEER SIZE, THE COUNTRY RANKS 42ND AND 76TH ON PENETRATION AND DENSITY, RESPECTIVELY.

Fifth, our team of experienced and skilled professionals across all branches provide customers with research-backed information to take informed decisions.

Sixth, we are in constant touch with existing as well as potential customers through emails, text messages and tele-calling, among others.

Finally, we are guided by the principles of integrity, honesty and transparency. This has helped us to strengthen our market position.

Our performance

During the year, we reported 33% growth in incomes, from ₹ 872.92 lac in FY 2014-15 to ₹ 1,164.43 lac in FY 2015-16. The customer base grew from 2,10,593 in FY 2014-15 to 3,27,954 in FY 2015-16, registering 56% growth. The EBIDTA surged by 8% from ₹ 309.28 lac in FY 2014-15 to ₹ 335.45 lac in FY 2015-16.

Besides, the net profit increased from ₹ 196.36 lac in FY 2014-15 to ₹ 205.03 lac in FY 2015-16, registering 5% growth. A surge in the total number of customers and revenue resulted in maintaining our profitability.

Human assets

We have created a dynamic talent pool to enhance our market reach and get closer to customers. We impart relevant training to the team to educate customers about the importance of insurance, gather relevant information from them and suggest suitable risk solutions. It is deeply encouraging for me and other members of the leadership to see our people taking challenges in their strides; and making progress possible.

Road ahead

Our future priorities comprise the following:

- Penetrating into under served geographies to contribute to the government's policy of catering to under served population;
- Growing awareness of the importance of getting insured, as even today many people in India have limited awareness, and access to insurance and financial services
- Strengthening customer relationships by intensifying our marketing efficiencies
- Making the entire process hassle-free by making the IT infrastructure more robust
- Leveraging (reach, customers base and know-how) to growth scale

The opportunities before us are immense; and we have the potential and the preparedness for a major lift-off. We seek the support and cooperation of our customers, business partners, government, regulator and the wider stakeholder community for our future endeavours.

Regards,

Abhishek Tiwari

Director, CEO & Principal Officer

Making the Most of Opportunities

At Au Insurance, we have always believed that the landscape of opportunities for India’s insurance sector is significant, to say the least. Given the unexplored market potential, it can be safely argued that we have hardly scratched the surface.

Au Insurance Broking Services Pvt. Ltd. (Au Insurance) started working as a Direct (Life and General) Insurance Broker after receiving license from IRDAI in 2012. We aim to cater to the country’s un-insured and under-insured masses by providing them with accurate and research-backed information. This helps customers take informed decisions and mitigate risks. We are driven by the objective to provide transparent and reliable broking services for life insurance, general insurance and risk management solutions.



Vision

To be the most preferred insurance broking services institution with nationwide presence to provide customised and speedy insurance solutions with trust and confidence to ensure customer delight and growth of Insurance Industry.



Group Strength

Au Insurance is a part of the Au Group. Au Group has been promoted by a first-generation entrepreneur Mr. Sanjay Agarwal and supported by several marquee private equity investors. It is a well-established NBFC, which got an in-principal approval for a Small Finance Bank from RBI. The Group provides a bouquet of products – vehicles finance, MSME finance, SME finance, housing finance and insurance. The Group has registered a healthy growth of around 80% in assets under management (5-year CAGR). It has a wide network comprising 270+ branches spanning 10 states.



Mission

We strive to lead in providing trustworthy and best solutions to translate the financial and physical risks of our customers in insurance protection cover through skilled manpower. We endeavour to create strong, consistent stakeholders value and live up to the trust and confidence reposed in us.

Au Insurance key facts

9

Branches across 5 states

3,27,954

Policies issued during FY 2015-16

3,912

Claims handled during FY 2015-16

45%

Growth in premium collection over 2014-15

392

Team members



Diverse offerings

Non-Life Insurance



Individual
Health Insurance
PA Insurance
Motor Insurance
Professional Indemnity Insurance
Household/ Shop Keepers/ Office Package Insurance

Commercial/ Industrial
Property Insurance **
Liability Insurance ***
Group Health Insurance
Group PA Insurance
Project Insurance

Property Insurance **



Covers losses against any damages to any property by fire, earthquake, flood and allied risks, burglary and breakdown, among others.

Life Insurance



Individual
Term Insurance
Endowment Insurance
ULIP Base Product

Commercial/ Industrial
Group Term Insurance
Gratuity & Leave Encashment Insurance
Keyman Insurance

Liability Insurance***



Covers losses against the liability arising under Law of Torts.



Making the Most of opportunities (Contd.)

Our services

Risk Management

- Understand insurance needs
- Arrange risk inspection, risk assessment and identification of risk
- Suggest cost-effective safety measures and risk minimisation tools
- Design a comprehensive insurance plan to transfer risk to insurers

Defining Insurance Programme

- Defining the required insurance coverage for different risks
- Selection of most suitable policies available in the market

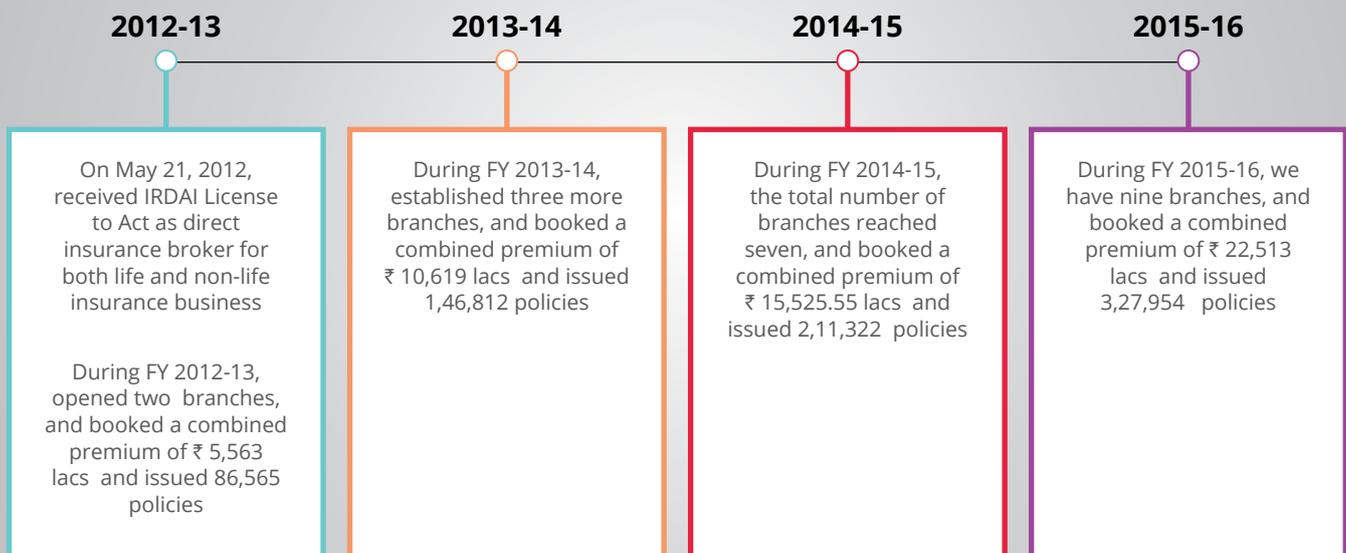
Placement of Risk

- Arrange standard policy on best terms through our relation and market experience
- Get customised & tailor-made insurance policy to suit the requirements
- Ensure the accuracy of the policies in terms of coverage, etc.
- Timely review and renewals

Claim Service for Fast and Hassle-free Claims Settlement

- We provide above services for brokerage received on insurance premium placed with insurance companies

Pathway to progress



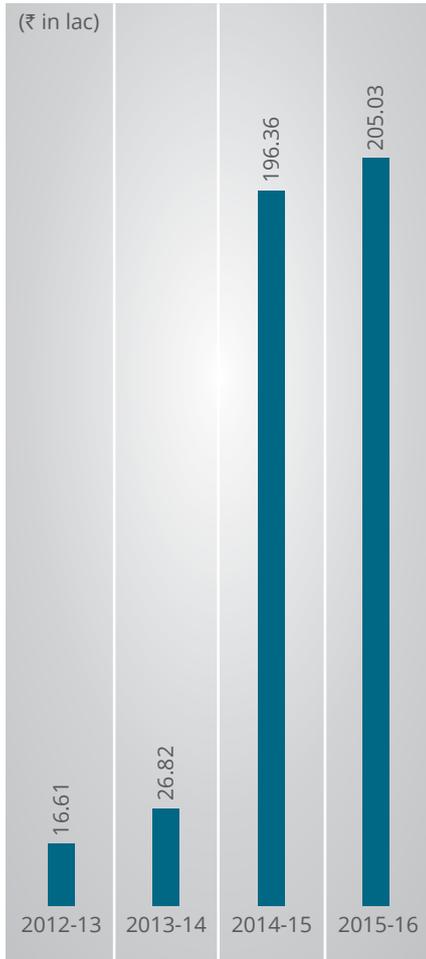
Our extensive presence





Financial Performance

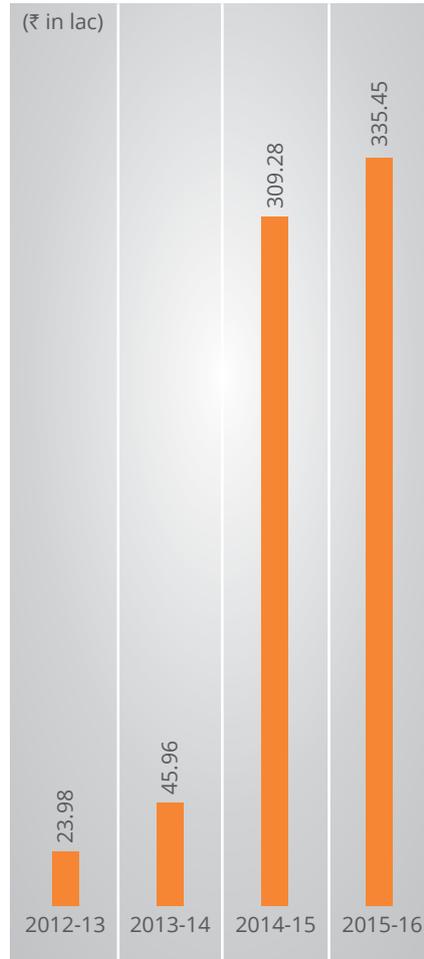
Net Profit



5% Y-O-Y



EBIDTA



8% Y-O-Y



Policies issued

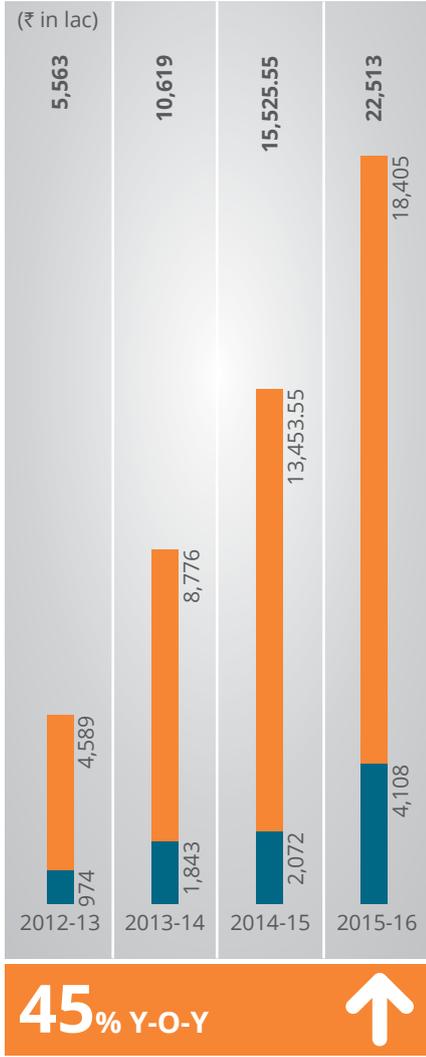


55% Y-O-Y



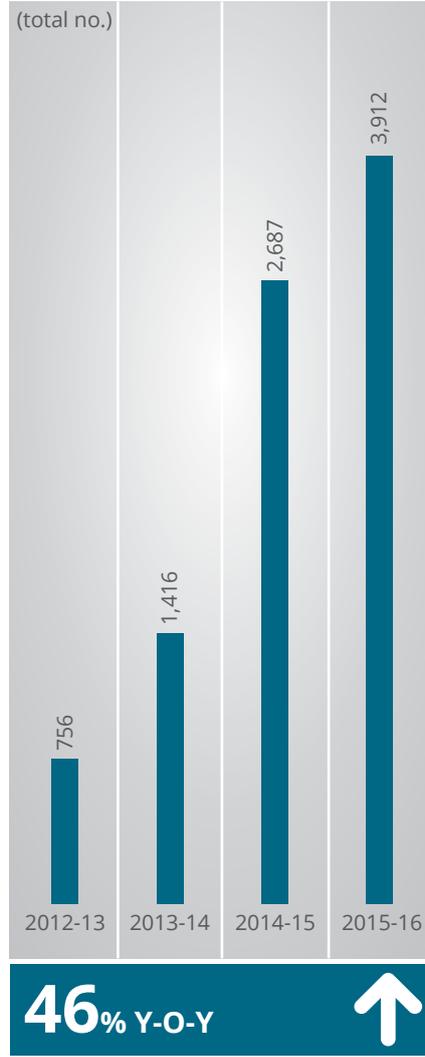
COI Motor

Premium collected

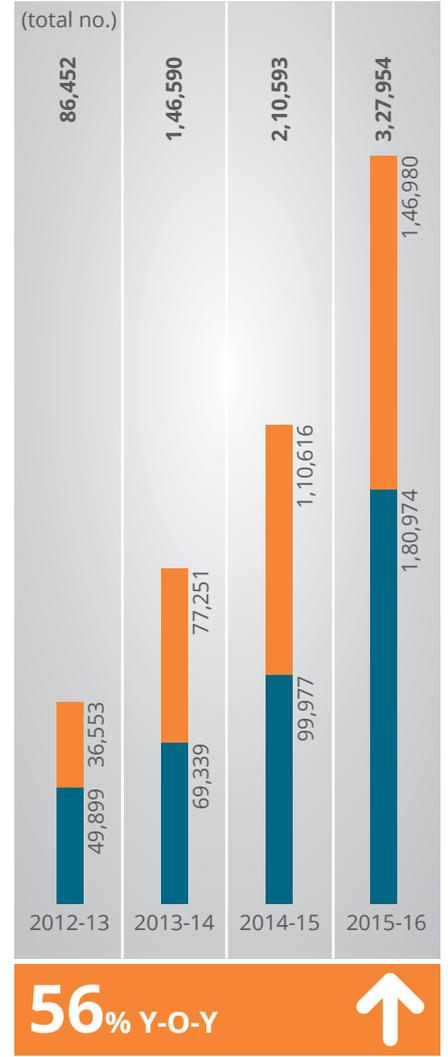


COI Motor

Claims handled



Customers



COI Motor

RIGHT SOLUTIONS FOR CUSTOMERS

Providing end-to-end services

As a reliable insurance broker, we aim to provide our customers with relevant, transparent and research-based information to help them in their decision-making. We follow a structured approach – right from analysing the requirements of customers, understanding the related risks and selecting the most suitable policies that cover specific risks.

Our services



Providing risk management solutions is integral to our business. At first, we try to understand the specific insurance needs of customers; and then conduct risk inspection, risk assessment and identification of risks. Subsequently, we suggest cost-effective safety measures and

risk minimisation tools. And finally we design a comprehensive plan to transfer risks to insurers.

We specify risks covered by various insurance policies; and suggest the most relevant policy available in the market. The policies must be tailor-

made to suit evolving customer aspirations. Besides, it is also our responsibility to review policies and make customers aware about renewals. Our efficient claims service ensures fast and hassle-free claims settlement.

Focus areas

CUSTOMER SATISFACTION

BESPOKE SOLUTIONS

TECHNOLOGY ARCHITECTURE

CUSTOMER LOYALTY

Value enablers



Strong human capital

We focus on recruiting local youth, who understand customer preferences; and the socio-economic scenario of a particular geography. We train them to help analyse customer needs and suggest a relevant policy.



Functional efficiency

We emphasise on strengthening customer connect through tele-calling service with automated diallers and customised software. Besides, our strong relationships with India's insurance companies helped our customers choose from a wide range of products.

and service executives. Besides, our web-based software enables sharper analytics, faster data processing and better turnaround time.



Proficient claims management

At Au Insurance, we focus on transparency and ethical business practices to remain a trusted brand. To accelerate the process and make it hassle-free for customers, we maintain good relationships with insurance companies. Our helpline provides data and timely updates on claims to make the system more effective.



Efficient operational capabilities

We maintain standard operating procedures across all our branches to ensure efficient service during the policy life cycle. We instil accountability across all levels; and insist on job rotation to break the monotony. Besides, we have an advanced software platform that supports data entry.



Robust IT architecture

We significantly invested in strengthening our IT infrastructure to engage better with our customers with emails, text messages and notifications throughout the policy development process. We are utilising FTTP servers that helps in uploading scanned copies of insurance policies, facilitating quick access by authorised branch



RIGHT VALUE FOR A HIGH-GROWTH INDUSTRY

Leveraging opportunities to deliver value

India's insurance industry is gaining momentum with a host of new developments, facilitating industry's growth. At the same time, insurance broking business is also witnessing natural evolution; and we are prepared to leverage the following opportunities to deliver more value.



Non-life insurance segment growth (2015-2025)

Industry

12%-14%
CAGR*

16%-18%
CAGR**

Broking Channel

17% CAGR*
Contributing more than 33%
of gross direct premium

23.5% CAGR**
Contributing more than 40%
of gross direct premium



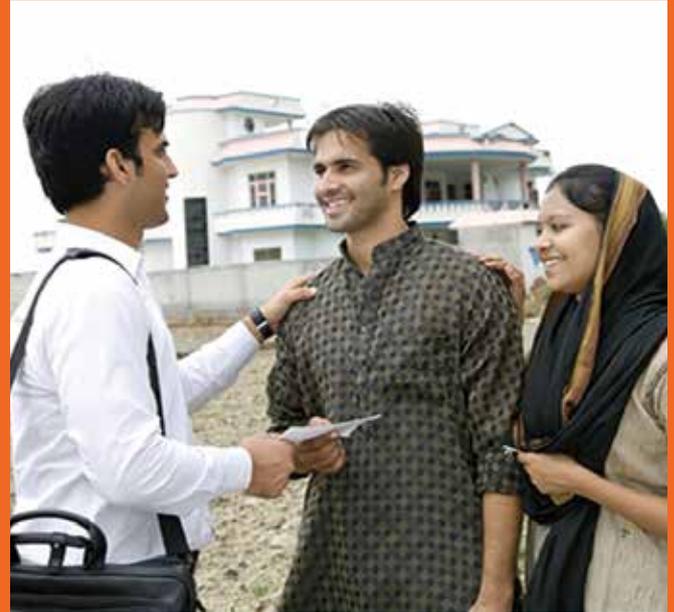
Life insurance segment growth (2015-2025)

Industry

10%-12%
CAGR*

14%-16%
CAGR**

*Conservative way | **Progressive way



Rise in income levels

India's insurance industry is poised to witness significant development with the steady growth of the domestic economy. This will subsequently enhance the per capita disposable income and bolster savings. The insurance broking business will gain more prominence with this development.

Enhanced insurance awareness

In India, people are becoming more aware of risk solutions through education, along with mainstream and social media. This trend consequently is enhancing the importance of insurance brokers.

Multiple industry players

A number of new players are foraying into the insurance business, which is making it difficult for people to choose the right company. We help people to choose the most preferred one from a host of players.

Wide array of products

With the growth of the insurance sector, various new policies are

coming into the picture. Insurance brokers like us analyse the specific risks of customers to suggest them the most suitable policies.

Focus on financial inclusion

The government as well as other industry players are aiming to include more people, especially from the under served population, in the ambit of insurance.

The present situation seems to be favourable for us, and we will use our capabilities to leverage the opportunities.

- At Au Insurance, we keep a close contact with insurance companies to understand their offerings and simultaneously map customer needs. This helps us recommend most suitable products to customers.
- We maintain strong relationships with India's insurance companies to propose the right product from a wide product array. This ensures better price-value proposition.

- We have a strong foothold in the semi-urban and rural areas, which are helping us bring the unserved and under served population within the insurance ambit.
- Our well-qualified and experienced insurance professionals, with better product knowledge analyse specific customer requirements to propose customised products. This enhances customer experience.
- Our wide portfolio comprising life and non-life insurance products, risk management services, insurance advisory and claims support services ensure end-to-end customer support.
- Instead of limiting ourselves to selling products, we also try to make people aware of the importance of getting insured in line with the government's focus on financial inclusion.

Board of Directors



Mr. Sanjay Agarwal, Director

- A merit-holder Chartered Accountant and a first generation entrepreneur having over 21 years of experience in the realm of financial and credit-risk management and strategic planning.
- His dynamic vision, strategic focus, and entrepreneurial skills continue to guide the growth of the Company's business.



Mr. Uttam Tibrewal, Director

- A Commerce graduate from Delhi University with 20 years of experience in the retail sector and finance industry.
- He ensures that efforts are channelised in the right direction to reap incremental benefits.
- His areas of expertise encompass policy framing and strategic planning. His efforts and valuable contribution helped the Company reach new heights.



Mr. Abhishek Tiwari, Director, CEO & Principal Officer

- Mr. Abhishek Tiwari is a Chartered Accountant and Law graduate from Jaipur.
- He has got a rich experience of 15 years in BFSI domain with longest stint at ICICI Bank. Prior to current assignment, he was working as Head- Operations at Au FINANCIERS (INDIA) LIMITED for 2 years.
- Appointed as Principal Officer of the Company w.e.f. 16th September, 2015

Senior Management



Mr. Sharat Parashar, Chief Operating Officer

He is an MBA, M.Phil & Ph.D having more than 20 years of experience in Insurance Industry. He is responsible for overall operations of the Company.

STATUTORY AND FINANCIAL SECTION

Directors' Report

**To,
The Shareholders
Au Insurance Broking Services Private Limited**

Your Company's Directors are pleased to present the SEVENTH report on the business and operations together with the Audited Statement of Accounts and the Auditor's Report for the financial year ended March 31, 2016.

Financial summary or highlights/Performance of the Company

Particulars	₹ in Lacs)	
	2015-16	2014-15
Total Income	1,164.43	872.92
Less: Total expenditure Before:	830.29	564.33
Depreciation and Amortisation Expenses:	24.10	19.50
Profit / (Loss) before tax	310.05	289.08
Less: Provision for taxation	105.02	92.72
Profit / (Loss) after tax	205.03	196.36

Operations

The year under review represents Fourth year of your Company's insurance broking operations. Continuing its growth trajectory, the Company during the Financial Year 2015-2016, achieved another important milestone of servicing 3,27,954 policies for both life and non-life customers with total premium collection of ₹ 22,513 Lacs (net off), resulting in growth in policies sold through Au IBS and 45% growth in collection of premium, as compared to last year.

We continue to leverage technology in service processes to provide better services to our customers. The online platform is designed to enable structured processes, faster and enhanced customer experience. We focus to work with responsibility and sensitivity to ensure that customers are supported in the times of grief for claim settlements. This year, Company emphasised on providing advisory services to our customers which translated into reach to more customers & growth in business.

Reach

Your Directors are pleased to inform you that the Company opened 2 branches in Baroda and Indore. Now company has 9

branches in 5 different states of the country named Rajasthan, Gujarat, Maharashtra, Punjab and Madhya Pradesh.

Your company plans to open more branches in coming years for increasing its customer base.

Auditors

M/s. S. R. BATLIBOI & Associates LLP, Chartered Accountants (Firm Registration No: 101049W/E300004), the Statutory Auditors of the Company will hold office until the conclusion of the tenth Annual General Meeting of the Company to be held in the year 2019 (subject to ratification of their appointment at every AGM). They have confirmed that their appointment, if made, would be within the prescribed limits under Section 141 of the Companies Act, 2013, and that, they are not disqualified for such appointment within the meaning of Section 141 of the Act. The necessary eligibility certificate prescribed under the said Section has been received from them.

Your Directors recommend their appointment as the Statutory Auditors of the Company.

Extract of Annual Return in terms of sub-section (3) of section 92 of the Companies Act, 2013.

Form MGT-9 is attached to this report as Annexure-1.

6 (Six) meetings of the Board were held in the financial year 2015-2016.

The Board Members met 6 (Six) times during the year under review on May 27, 2015, September 4, 2015, September 30, 2015, November 2, 2015, January 25, 2016 and March 16, 2016.

Statement on declaration given by independent directors under sub-section (6) of section 149.

Not applicable

Company's policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178;

Since the provisions of section 178 are not applicable on the Company, the disclosure is not required to be made.

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made by auditors.

The notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors Report does not contain any qualification, reservation or adverse remark.

Particulars of loans, guarantees or investments under section 186 of the Companies Act, 2013.

During the year under review, the Company has not made any loan, not given guarantees in respect of any loan and has not made investments, pursuant to the provisions of Section 186 of the Companies Act, 2013.

Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013,

During the year under review, the Company has not entered into any contracts or arrangements with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013.

State of the Company's Affairs

The Company in spite of the Indian economy grappling with sluggishness performed well in all crucial parameters and expects more growth in near future as the Insurance sector is expected to witness favourable growth opportunities, considering the current levels of penetration existing in India. Government of India through its slew of recent measures also helped in facilitation of insurance services. Further, changes in IRDAI Broker Regulations, 2013, also aimed at developing more favourable environment for insurance intermediaries like Au Insurance Broking.

Amount proposed to be carried to reserves

The Company transferred an amount of ₹ 205.03 Lacs towards Reserves and Surplus during the year under review.

Amount recommended to be paid by way of dividend

In view of expansion plans, your Directors feel that prudent resource conservation and profit plough back will catalyze growth. In line with this, your Directors do not recommend any dividend for the year ended March 31, 2016.

Material changes and commitments, affecting the financial position of the Company.

No material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

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

In view of the nature of activities being carried out by the Company, provisions of Section 134 (3) (m) of the Companies Act, 2013, read with its applicable rules are not applicable to the Company.

Further, during the year under review, company does not have any Foreign Exchange Earnings and there was no outgo under Foreign Exchange either.

Development and implementation of a risk management policy for the Company including identification therein of elements of risk.

Company has risk management framework which commensurate with size and nature of business of the Company.

Details about the policy developed and implemented by the Company on corporate social responsibility initiatives taken during the year;

The provisions pertaining to CSR were not applicable on the Company, during the period under review.

Change in Nature of Business

During the period under review, the Company has not changed its nature of business.

Directors' Report (Contd.)

Details of Directors or Key Managerial Personnel who were appointed or have resigned during the year

Sr. No.	Name	Designation	DIN	Remarks
1	Mr. Ashok Kumar Goyal	Director	03445843	Resigned (Ceased on September 30, 2015)
2	Mr. Abhishek Tiwari	Additional Director	03410007	Appointment (Appointed on March 16, 2016)

The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year

The requirement is not applicable on the Company, as the Company has no subsidiary, joint venture or associate company.

Default in repayment of deposits or payment of interest thereon during the year

- (a) At the beginning of the year: NIL
- (b) Maximum during the year: NIL
- (c) At the end of the year: NIL

Details of deposits not in compliance with the requirements of Chapter V of the Companies Act, 2013

The Company has not taken deposits during the period under review.

Details of significant and material orders passed by the regulators or courts or tribunals

During the year under review, no significant and material orders have been passed by the regulators or courts or tribunals, impacting the going concern status and company's operations in future.

Internal Control over Financials Reporting

Companies Act, 2013 has introduced a reasonably advanced reporting concept for auditor's i.e. Internal Control over Financials Reporting (ICOFR). Auditors of the Company are required to report on adequacy of financials records, authorisation of transaction and safeguarding of assets of the Company prepared under Section 143.

Company have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the 2013 Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities

Public Deposits and Loans / Advances

During the period under review, your Company has not accepted any deposits from the public or its employees within the meaning of Section 73 of the Companies Act, 2013, and the rules there under.

Accounting Policies

The Company has followed accounting policies generally accepted in India in preparation of the Balance Sheet, Statement of Profit & Loss and Cash Flow for the year 2015-16 and there were no changes in accounting policies made during the year.

Composition of Corporate Social Responsibility Committee

The provisions were not applicable on the Company, during the period under review.

Composition of Audit Committee

The provisions were not applicable on the Company, during the period under review.

Composition of Remuneration Committee

The provisions were not applicable on the Company, during the period under review.

Information under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has constituted an Internal Compliant Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year no complaint was filed before the said Committee.

Re-appointment of Independent Director under section 149(10) of the Companies Act, 2013.

The Company being private limited company, provisions were not applicable on the Company, during the period under review.

Statement containing salient features of financial statements of subsidiaries as per first proviso to sub-section (3) of section 129 of the Companies Act, 2013.

The provisions were not applicable on the Company, during the period under review.

Reservation and qualification on Secretarial Report – As section 204 of the Companies Act, 2013 is not applicable on the Company.

The provisions were not applicable on the Company, during the period under review.

Formal annual evaluation by the Board of its own performance and that of committees and individual director as per clause (p) of sub section 3 of section 134 of the Companies Act, 2013.

The provisions were not applicable on the Company, during the period under review.

Revision of financial statements or Board's report under section 131 of the Companies Act, 2013.

The Company has not revised its financial statements or its Board's report during the period under review.

Policy on remuneration to Directors, Key Managerial Personnel and Senior Management, pursuant to Section 178 of the Companies Act, 2013.

The provisions were not applicable on the Company, during the period under review.

Establishment of Vigil Mechanism

The provisions relating to establishment of Vigil Mechanism were not applicable on the Company, during the period under review.

Policy developed and implemented by the Company on Corporate Social Responsibility initiatives taken during the year.

The provisions were not applicable on the Company, during the period under review.

Receipt of remuneration by the Managing or Whole Time Director from receiving remuneration or commission from the holding company or subsidiary company of the Company.

There were no Directors nominated as Managing or Whole Time Director and the provisions were not applicable on the Company, during the period under review.

Disclosures of Employees pursuant to sub rule 2 & 3 of Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as in force

S. No.	Name of Employee	Remuneration received (Amount in ₹)	Designation	Nature of employment (Contractual/ Otherwise)	Qualifications and experience of the employee;	Date of commencement of employment	The age of such employee	The last employment held by such employee before joining the Company	The percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub-rule (2) above; and	Whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager
NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Management discussion and analysis

A detailed business review on the operations and financial position of the Company is appended in the Management Discussion and Analysis Section of the Annual Report.

Compliance with IRDAI Guidelines

The Company has complied with all applicable regulations, guidelines and Circulars issued from time to time by Insurance Regulatory and Development Authority of India (IRDAI) as applicable to a direct Insurance broker company.



Directors' Report (Contd.)

Director's Responsibility Statement:

In pursuance of section 134 (5) of the Companies Act, 2013, read with its applicable rules, the Directors confirm that, to the best of their knowledge and belief:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) that such accounting policies as mentioned in the accounts have been selected and applied consistently, and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016, and of the profit and loss of the Company for the year ended on that date;
- (c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies

Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) the annual accounts have been prepared on a 'going concern' basis.
- (e) the internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and are operating effectively.
- (f) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgment

Your Directors would like to express their sincere appreciation of the cooperation and assistance received from shareholders, bankers Employees, Senior Management, Regulatory bodies and other business constituents during the year under review.

For and on behalf of the Board of Directors
Au Insurance Broking Services Private Limited

Sanjay Agarwal

(Director)
DIN - 00009526

Place: Jaipur
Date: May 26, 2016

Abhishek Tiwari

(Director)
DIN - 03410007

Annexure-1

FORM NO. MGT-9**Extract Of Annual Return**

As on the financial year ended on March 31, 2016

{Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014}

I. Registration and Other Details

CIN	U67200RJ2010PTC030778
Registration Date	January 19, 2010
Name of the Company	Au INSURANCE BROKING SERVICES PRIVATE LIMITED
Category	Company limited by shares
Sub-Category of the Company	Indian Non-Government Company
Address of the Registered office and contact details	3rd floor, Maker Tower, Beside Gopalpura Pulia, Tonk Road, Jaipur -302015, Rajasthan
Whether listed company	NO
Name, Address and Contact details of Registrar and Transfer Agent	NA

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.	Rendering Insurance Broking and Advisory Services in both life and general insurance segments.	6619	100%

III. Particulars of Holding, Subsidiary and Associate Company :

Sr. No.	Name and address of the Company	CIN/GLN	Holdings/Subsidiary/Associate	% of shares held	Applicable section
1.	-	-	-	-	-

IV. Share Holding Pattern (Equity Share Capital Breakup as Percentage of total Equity)**i. Category wise shareholding**

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change During
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	0	195,000	195,000	26.00%	0	195,000	195,000	26.00%	0.00%
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	0	195,000	195,000	26.00%	0	195,000	195,000	26.00%	0.00%

Annexure-1

IV. Share Holding Pattern (Equity Share Capital Breakup As Percentage of total Equity)

i. Category wise shareholding (Contd.)

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change During
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs -Individuals	-	-	-	-	-	-	-	-	-
b) Other -Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total A.(A)(2):-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	0	195,000	195,000	26.00%	0	195,000	195,000	26.00%	0.00%
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Fund	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Trust	-	-	-	-	-	-	-	-	-
Sub-total(B)(1):-	0	0	0	0.00%	0	0	0.00%	0.00%	0.00%
2. Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individual	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 Lac	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lac	0	555,000	555,000	74.00%	0	555,000	555,000	74.00%	0.00%
c) Other (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	555,000	555,000	74.00%	-	555,000	555,000	74.00%	0.00%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	555,000	555,000	74.00%	-	555,000	555,000	74.00%	0.00%
c. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		750,000	750,000	100.00%	0	750,000	750,000	100.00%	0.00%

(ii) Shareholding of Promoters

S. No	Share Holder's Name	Shareholding at the beginning of the year			Share Holding 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
1	Sanjay Agarwal The shares are held in the beneficial interest of Au FINANCIERS (INDIA) LTD. u/s 187C of the Companies Act, 1956	100	0.01%	0.00%	100	0.01%	0.00%

Annexure-1

(ii) Shareholding of Promoters (Contd.)

S. No	Share Holder's Name	Shareholding at the beginning of the year			Share Holding 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
2	Uttam Tibrewal The shares are held in the beneficial interest of Au FINANCIERS (INDIA) LTD. u/s 187C of the Companies Act, 1956	100	0.01%	0.00%	100	0.01%	0.00%
3	Au Financiers (India) Limited	194,800	25.8%	0.00%	194,800	25.98%	0.00%
	Total	195,000	26.00%	0.00%	195,000	26.00%	0.00%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

There has been no change in promoter's holding during the year.

Sr. No	Particulars	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	195,000	26.00%	195,000	26.00%
2	Add:	-	-	-	-
3	Less:	-	-	-	-
	At the End of the year	195,000	26.00%	195,000	26.00%

(iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	For Each of the Top 10 Shareholders	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	-	-	-	-
2	At the end of the year	-	-	-	-

Comment: No Shareholder other than Promoters and Directors

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	For Each of the Director and KMP	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	Sanjay Agarwal (Director)	536,250	71.50%	536,250	71.50%
	Increase / Decrease during the year	18,750	2.50%	18,750	2.50%
	at the end of the year	555,000	74.00%	555,000	74.00%
2	Uttam Tibrewal (Director)	0	0.00%	0	0.00%
	Increase / Decrease during the year	-	0.00%	-	-
	at the end of the year	0	0.00%	0	0.00%



Annexure-1

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	10.54			10.54
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Changes in Indebtedness during the financial year	NIL	NIL	NIL	NIL
Addition	NIL	NIL	NIL	NIL
Repayment	2.63	NIL	NIL	2.63
Indebtedness at the end of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount	7.91	NIL	NIL	7.91
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL

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/Manger	Total Amount
1.	Gross salary	NIL	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961		
2	Stock Option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission	NIL	NIL
	→ as % of profit		
	→ others specify		
5	Others please specify	NIL	NIL
	Total (A)	NIL	NIL
	Ceiling as per the Act	NIL	NIL

B. Remuneration to other directors:

(KMP's remuneration are separately shown under point C)

Sr. No.	Particulars of remuneration	Name of Directors	Total amount
1.	Independent Directors		
	→ For attending board committee meetings		
	→ Commission	NIL	
	→ Others, Please specify		
	Total (1)		
2.	Other Non-Executive Directors		
	→ Fee for attending board committee meetings	NIL	
	→ Commission		
	→ Others, Please specify		
	Total (2)	NIL	
	Total (B)=(1)+(2)	NIL	
	Total managerial remuneration	NIL	
	Overall ceiling as per the Act	NIL	

Annexure-1

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			(₹ in Lacs)
		Director (Mr. Ashok Kumar Goyal)	Company Secretary	Director & CEO (Mr. Abhishek Tiwari)	Total
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the income tax act,1961	21.84	NA	1.58	23.42
	(b) Value of perquisites u/s 17(2) Income tax act,1961	NIL	NA	NIL	NIL
	(c) Profits in lieu of salary u/s 17(3) Income tax Act,1961	NIL	NA	NIL	NIL
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as a % of profit -others, specify	NIL	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL	NIL
	Total (₹ in lacs)	21.84	NIL	1.58	23.42

VII) Penalties/Punishment/Compounding of Offences:

IRDAI levied penalty of ₹ 2 Lac in May 2015 due to delay in renewal of IRDAI Broker training certification of Branch Manager (Regulation 9(3)(b) of IRDA Brokers Regulations, 2002) at the time of renewal of Direct Broker Licence. Board of Directors of the Company complied with the said provision and it is assured to comply all IRDAI norms in future.

Type	Section of the Companies Act	Brief description	Details of penalty /punishment / compounding fees imposed	Authority {RD/ NCLT/ COURT}	Appeal made, if any
Company					
Penalty	-	-	2,00,000	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
Other officers in default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Management Discussion and analysis

Indian Economy

India's GDP grew by 7.6% in 2015-16, making it one of the fastest growing major economies in the world. The positive policy initiatives of the government, low interest rates, declining fiscal deficit and moderating inflation have helped the Indian economy stay on a sustainable growth path. The government is aggressively implementing reforms in the agricultural, manufacturing and services sectors to take the economy on a higher and sustainable growth trajectory.

The government's continuing efforts to ease doing business in India is attracting foreign direct investments into the country. FDI into the country has increased by 37% after the launch of 'Make in India' programme in the 17-month period from October 2014 to February 2016 (Source: Government of India Report).

Indian GDP growth

Sectors	2015-16*		
	2013-14	2014-15	(%)
Agriculture, forestry & fishing	3.7	1.1	1.1
Industry	4.5	5.9	6.1
Services	9.1	10.6	10.9
GDP at market prices	6.9	7.4	7.6

(Source: Advance CSO Estimates)

Indian Insurance Sector

Insurance market in India has a plethora of opportunities to unravel. It ranks 15th largest in the world with total premium income of more than ₹ 400,000 Crores across both life and non-life insurance. It ranks 11th in the world in the life insurance segment and 20th in the world in the non-life segment. (Source: EY Vision 2025: brokers driving customer centric growth)

The industry opened up to private participation with the enactment of the Insurance Regulatory and Development Authority Act, 1999. Post liberalisation, the number of participants in the insurance industry has gone up from six insurers in 2000 to 53 insurance companies, of which 24 are in life insurance business, and 29 are non-life insurers. (Source: Indian Brand Equity Foundation)

India has one of the best penetrations in the life insurance segment at 3.1%, compared to the global average of 3.5%.

However, penetration of non-life insurance is very low at 0.8% compared to the world average of 2.8%, making the overall penetration of the industry low. (Source: Forbes)

Factors leading to low penetration of Insurance industry are:

- poor customer awareness,
- inadequate coverage of insured,
- lack of product innovation, and
- nascent stage of distribution channels

Foreign direct investment in the sector stood at US\$ 341 million in March-September, 2015, highlighting a significant growth of 152 per cent compared to the same period last year. The industry displays high growth potential due to its size, low penetration, and growing economy, making it one of the most attractive investment opportunities. (Source: Indian Brand Equity Foundation)

The insurance market is expected to quadruple in size over the next 10 years from its current size of US\$ 60 billion. (Source: Indian Brand Equity Foundation) Insurers need to put customers at the forefront and focus on enhancing penetration.

Growth drivers of Indian insurance sector

- **Launch of new products:** Several products were launched in the life insurance industry. Innovative product designs and gamut of options are encouraging the customers to buy insurance products
- **Favourable demographic indicators:** India is witnessing a rise in level of incomes and an improvement in life expectancy rates, which will positively affect the insurance sector
- **Increase in FDI limit:** Entry of global players is providing the much required capital to the industry and the Indian counterparts are also highly benefitting from the global expertise they possess
- **Penetration of technology and online tools:** IRDAI is promoting the use of technology and online tools to increase the penetration of the sector. Use of technology in the distribution channel has reduced the hassle of purchasing policies and has driven growth

- **Make in India' initiative:** The Government initiative has boosted investment in various sectors of the country, like manufacturing, infrastructure, automobile industries to name a few. These investments have driven the demand for various insurances like property and marine cargo insurance, engineering insurance and auto insurance respectively
- **Hike in travel insurance:** Good sentiment among Indians owing to the favourable economic indicators will increase travel both within and outside India leading to a boost in travel insurance

Government initiatives

The Government has reduced the service tax on single premium annuity policies in certain cases from 3.5 per cent to 1.4 per cent of the premium paid. Service tax on service of life insurance business provided by way of annuity has also been exempted as of April 1, 2016. Government insurance companies will now be listed on the exchanges.

The Government of India launched several health insurance schemes - Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) were rolled out in the Union Budget 2015-16. National Health Protection Scheme (NHPS) was launched in the 2016-17 budget, offering a cover of ₹ 1 Lac per BPL family consisting of a family-head, spouse and three dependents. Fasal Bima Yojana, a Crop Insurance Scheme was also launched, with ₹ 5,500 Crores granted towards its implementation. Initiatives are being taken to boost the enrolment and reach of various Government schemes like Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Atal Pension Yojana (APY).

Adding more to the healthcare front, the Government is also expected to open 3000 Jan Aushadhi stores in 2016-17, to provide more people with quality medicines at affordable prices. A national dialysis service programme has also been proposed, to install dialysis units at all district hospitals for renal patients with excise duty waiver for dialysis equipment.

Foreign investment through automatic route of up to 49 per cent has been allowed in the Union Budget for 2016-17, subject to the guidelines on Indian management and control, to be verified by the regulators.

In order to leverage the power of e-commerce to increase insurance penetration, Insurance Regulatory and Development Authority of India (IRDAI) has formed two dedicated committees for the same. Focusing on the rural and economically weaker sections of the population, IRDAI formulated a draft regulation, IRDAI (Obligations of Insurers to Rural and Social Sectors) Regulations, 2015. The regulation is directed towards imposing obligations on insurers to provide insurance cover to the section of the society.

The Uttar Pradesh government launched banking and insurance services helpline for farmers where individuals can lodge their complaints on a toll free number. Government of India has launched insurance pool of ₹ 1,500 Crores, which is mandatory under the Civil Liability for Nuclear Damage Act (CLND) in a bid to offset financial burden of foreign nuclear suppliers.

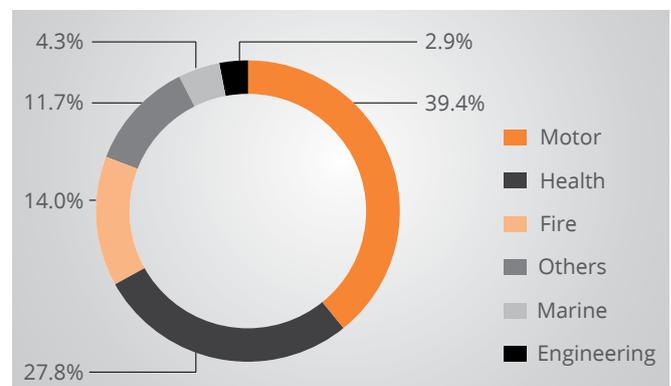
(Source: Indian Brand Equity Foundation)

General Insurance

The size of the general insurance industry in terms of gross direct premium (GDP) has increased from ₹ 37,000 Crores in FY10 to ₹ 83,000 Crores in FY15, registering a CAGR of 17.6%. (Source: EY Vision 2025: brokers driving customer centric growth)

The industry is highly dominated by motor and health insurance. Motor insurance contributed to 39.41 per cent and health segment seized 27.75 per cent share of the gross direct premiums earned in FY16 until September 2015.

Break-up of non-life insurance market in India (FY 16*)



Source: IRDA Annual Report, Techsci Research, Note: *FY 16:

Management Discussion and analysis (Contd.)

Though the growth outlook of the industry remains strong due to existing under-penetration, and expected growth in underlying sectors, many factors are adversely affecting the profitability of the general insurance industry:

- high claims ratio,
- poor supply chain management,
- lack of process standardisation,
- lack of product innovation, and
- tariffed pricing in motor TP and policy wordings

There is a dire need to generate awareness and popularise general insurance to boost the growth of the industry.

Health Insurance

The health insurance sector has grown by about 20 per cent on a year-to-year (y-o-y) basis (Source: Financial Express), and with medical advances and increasing cost of medical treatment, the industry is expected to grow in the same pace. The growth drivers are a growing population, rise in non-communicable diseases, increasing disposable incomes, changing demographics and increasing healthcare awareness.

India spends a total of 4.2 per cent of its GDP on healthcare, with public sector's contribution being among the lowest globally at 1 per cent. The sector is forecasted to grow from ₹ 684,000 Crores in 2015 to ₹ 8,237 billion in 2018 with a CAGR of 12.1 per cent. (Source: Industry Forecast - Healthcare - India - Q1 2015, Business Monitor International, December 5, 2014) The market value is projected at \$280 billion by 2020. (Source: Policybazar)

According to National Sample Survey over 80 per cent of India's population is not covered under any health insurance scheme, highlighting a highly untapped opportunity. Government health insurance schemes such as the Rashtriya Swasthya Bima Yojana, and health schemes adopted by states like Tamil Nadu, Maharashtra, and now Rajasthan, contribute majorly to the entire health insurance business generated in India.

Life Insurance

Life insurance registered tremendous CAGR of 31% between FY01 and FY10 followed by meagre CAGR of 0.6% between FY10 and FY15. The significant fall in growth can

be attributed to radical regulatory changes, poor economic growth, and lack of trust in the life insurance sector.

Life Insurance joint ventures in India saw an increase in the stake of foreign partners, owing to the increase in FDI limit of the sector. The period December 2015 to February 2016, saw the launch of 28 new products across the life insurance industry. These were mostly traditional products, and offered guarantee features to customers.

India's life insurance sector is the biggest in the world with about 360 million policies and is anticipated to increase at a growth rate of about 12-15% by 2020 (Source: Sectoral Report by the India Brand Equity Foundation). Factors expected to fuel the growth are increase in FDI, untapped market for pension products, increase in working population and low penetration rate.

Life insurers need to be agile in a dynamic regulatory environment, make distribution viable, focus on customer, and invest in technology to monetise on the opportunity.

Sector Outlook

The insurance market in India is poised for growth over the next 10 years. Improving demographic factors, progressive economic conditions of the Indian population and the rising awareness about the need of insurance is expected to bring about a positive change for the sector.

As the government eased out the FDI barriers in the insurance sector, foreign companies are expected to raise their stake in private sector insurance joint ventures, and make investments to the tune of ₹ 12,000 Crores in 2016. (Source: Indian Brand Equity Foundation)

The Indian insurance market holds significant potential due to its size, low penetration, and expected growth in the economy and in key sectors. Economic indicators that will pave the way for the growth of the Insurance sector are:

- Strong GDP growth of 7.7% expected annually till 2020
- Rapid growth in the manufacturing and service sectors
- Government programs like 'Make in India' and 'Digital India' are expected to bring about growth in the country and significantly impact the insurance sector

- The inflation rate is expected to be below 6% for the next five years leading to higher consumer spending
- The working population is expected to increase, as population aged 15-64 years is expected to reach 68% by 2025 from 66% in 2014
- Narrowed current account deficit and increased dependency on internal markets, has made India more resilient to face any external vulnerabilities

(Source: EY Vision 2025: brokers driving customer centric growth)

As per report released by BCG (Boston Consulting Group), the Indian insurance sector is expected to touch US\$ 400 billion in premium income by the end of the year 2020 making India one of the top three life insurance and top 15 non-life insurance markets.

About Au Insurance Broking Services (Au Insurance)

Au Insurance was incorporated in Rajasthan as a direct insurance broker by IRDA under Insurance Brokers Regulations, 2002. We are driven by a vision to provide

transparent and reliable insurance broking services for all types of Life Insurance, General Insurance and Risk Management Solutions.

We are committed to provide honest, timely and research-backed information and insurance services to our customers. Our aim is to 'facilitate informed solutions'.

Our objective is to reach out the large un-insured and under-insured masses of the country and overcome the gap in the present insurance services verticals like risk management, claims assistance and claims consultancy. In order to achieve this, our team of qualified professionals is committed to provide accurate and comprehensive information that would help our customers in taking informed decision and mitigating their risks.

Core strengths

- Transparent and reliable business dealings
- Well-qualified and experienced insurance professionals
- Integrity and honesty
- Research based advisory services
- Sincerity and uprightness are our guiding principles

Independent Auditor's Report

To the Members of Au Insurance Broking Services Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Au Insurance Broking Services Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require

that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 2 to this report;
- (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 for which there were any material foreseeable losses; and
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. We report that, as required by regulation 29(6) of the Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2013 ("Insurance Regulatory and Development Authority of India (IRDAI) Regulations"), the Company has obtained certificates from an independent Chartered Accountant confirming compliance with various regulation of the Insurance Regulatory and Development Authority of India (IRDAI) Regulations with specific reference to regulation 9, 11, 12, 13 and 25 for the year ended March 31, 2016. Based on said certificates, we confirm that the Company has complied with various regulations for the year ended March 31, 2016 as mentioned in these certificates. For the purpose of our reporting, we have relied on above mentioned certificates obtained by the Company and have not performed any additional procedures in this regard.

For **S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm's Registration Number: 101049W/E300004
Chartered Accountants

Amit Kabra
Partner

Jaipur
May 26, 2016

Membership Number: 094533

Annexure referred to in paragraph 1 under the heading “Report on other legal and regulatory requirements” of our report of even date

Re: Au Insurance Broking Services Private Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties included in fixed assets of the Company and accordingly the requirements under clause 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under clause 3(ii) of the Order are not applicable to the Company and hence not commented upon.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the services of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a bank. The Company did not have any outstanding in respect of a financial institution or debenture holders or government during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans hence reporting under clause (ix) of the Order is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

- (xi) According to the information and explanations given by the management, the provisions of section 197, read with Schedule V of the Act, are not applicable to the Company and hence reporting requirement under clause 3(xi) of the Order is not applicable and, not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm's Registration Number: 101049W/E300004
Chartered Accountants

Amit Kabra
Partner

Jaipur
May 26, 2016

Membership Number: 094533

Annexure referred to in paragraph 2 (f) under the heading “Report on other legal and regulatory requirements” of our report of even date

Report on Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

To the Members of Au Insurance Broking Services Private Limited

We have audited the internal financial controls over financial reporting of Au Insurance Broking Services Private Limited (“the Company”) as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal

Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records

that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **S.R. BATLIBOI & ASSOCIATES LLP**
ICAI Firm's Registration Number: 101049W/E300004
Chartered Accountants

Jaipur
May 26, 2016

Amit Kabra
Partner
Membership Number: 094533



Balance Sheet

as at March 31, 2016

	Note No.	(In ₹) As at March 31, 2016	As at March 31, 2015
Equity and liabilities			
Shareholder's funds			
Share capital	3	75,00,000	75,00,000
Reserves & surplus	4	4,40,79,200	2,35,76,164
		5,15,79,200	3,10,76,164
Non-current liabilities			
Long-term borrowings	5	4,99,018	7,90,771
Long-term provisions	6	29,13,631	19,02,738
		34,12,649	26,93,509
Current liabilities			
Other current liabilities	7	1,51,77,429	1,04,52,967
Short-term provisions	8	1,11,164	29,75,495
		1,52,88,593	1,34,28,462
TOTAL		7,02,80,442	4,71,98,135
Assets			
Non-current assets			
Fixed assets			
Tangible assets	9	41,45,172	31,25,929
Intangible assets	10	2,60,306	2,76,130
Deferred tax assets (net)	11	10,20,810	5,91,870
Long-term loans and advances	12	6,88,060	4,18,500
Other non-current assets	13	15,00,000	15,00,000
		76,14,348	59,12,429
Current assets			
Current investments	14	3,44,93,987	2,46,46,864
Trade Receivable	15	44,63,833	4,17,975
Cash & bank balances	16	53,73,295	21,00,545
Short-term loans and advances	17	43,05,030	60,00,030
Other current assets	18	1,40,29,948	81,20,292
		6,26,66,094	4,12,85,706
TOTAL		7,02,80,442	4,71,98,135
Summary of significant accounting policies	2.1		

The Accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP

ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

Amit Kabra

Partner
Membership No. 094533

Place: Jaipur
Date: May 26, 2016

For and on behalf of the Board of Directors

Au Insurance Broking Services Private Limited

Sanjay Agarwal

(Director)
DIN - 00009526

Place: Jaipur
Date: May 26, 2016

Abhishek Tiwari

(Director)
DIN - 03410007

Statement of Profit and Loss

for year ended March 31, 2016

	Note No.	Year ended March 31, 2016	Year ended March 31, 2015
(In ₹)			
Income			
Revenue from operations	19	11,44,31,834	8,64,16,577
Other income	20	20,11,552	8,75,301
Total income (i)		11,64,43,386	8,72,91,878
Expenses			
Employee benefit expenses	21	6,51,02,408	4,52,78,740
Finance costs	22	1,30,238	69,290
Operative & other expenses	23	1,77,95,862	1,10,84,883
Depreciation and amortization expense		24,10,321	19,50,123
Total expenses (ii)		8,54,38,829	5,83,83,036
Profit before tax (iii) = (i)-(ii)		3,10,04,557	2,89,08,842
Tax expenses:			
Current tax	24	1,08,23,777	96,47,852
Deferred tax	24	(4,28,940)	(5,06,350)
Adjustment of tax relating to earlier period		1,06,684	1,30,754
Total tax expenses (iv)		1,05,01,521	92,72,256
Profit after tax (iii)-(iv)		2,05,03,036	1,96,36,586
Earnings per equity share	25		
Basic (₹)		27.34	26.18
Diluted (₹)		27.34	26.18
Nominal value per share (₹)		10.00	10.00
Summary of significant accounting policies	2.1		

The Accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP

ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

Amit Kabra

Partner
Membership No. 094533

Place: Jaipur

Date: May 26, 2016

For and on behalf of the Board of Directors

Au Insurance Broking Services Private Limited

Sanjay Agarwal

(Director)
DIN - 00009526

Place: Jaipur

Date: May 26, 2016

Abhishek Tiwari

(Director)
DIN - 03410007

Cash Flow Statement

as at March 31, 2016

	(In ₹)	
	As at March 31, 2016	As at March 31, 2015
Cash flow from operating activities		
Net profit before tax as per statement of profit and loss	3,10,04,557	2,89,08,842
Add/ (Less) :		
Depreciation and amortization	24,10,321	19,50,123
Interest from fixed deposits with banks	(2,63,658)	(2,73,751)
Dividend from investment in mutual fund	-	(2,80,952)
Profit on sale of investments	(15,23,730)	(28,940)
Interest paid on loan	1,30,238	69,290
Interest on income tax	(2,08,510)	(1,55,940)
Operating profit before working capital changes	3,15,49,218	3,01,88,672
Adjustments :		
(Increase) / decrease in long term loans and advances	(2,69,560)	(2,78,500)
(Increase) / decrease in short term loans and advances	(72,235)	(3,91,428)
(Increase) / decrease in other non-current assets	-	-
(Increase) / decrease in Trade Receivable	(40,45,859)	(86,081)
(Increase) / decrease in other current assets	(59,09,656)	(50,05,540)
Increase / (decrease) in long term provisions	10,10,893	9,07,536
Increase / (decrease) in other current liabilities	46,95,496	(8,61,467)
Increase / (decrease) in short term provisions	(28,64,331)	(6,59,033)
Direct taxes paid	(89,54,717)	(18,80,262)
Net cash flow from/ (used in) operating activities (A)	1,51,39,250	2,19,33,897
Cash flows from investing activities		
Inflow (outflow) on account of :		
Purchase of fixed assets	(34,13,740)	(35,84,220)
Purchase of investments	(9,93,00,000)	(2,96,46,864)
Sale of investments	9,09,76,606	50,28,940
Interest from fixed deposits with banks	2,63,658	2,73,751
Dividend from investment in mutual fund	-	2,80,952
Net cash flow from/ (used in) investing activities (B)	(1,14,73,476)	(2,76,47,441)
Cash flows from financing activities :		

Cash Flow Statement

as at March 31, 2016

	(In ₹)	
	As at March 31, 2016	As at March 31, 2015
Interest paid on loans	(1,30,237)	(69,290)
Proceeds/(Repayment) from HDFC Car loan	(2,62,787)	10,53,558
Net cash flow from/ (used in) in financing activities (C)	(3,93,024)	9,84,268
Net increase / (decrease) in cash and cash equivalents (A+B+C)	32,72,750	(47,29,276)
Cash and cash equivalents as at the beginning of the year	21,00,545	68,29,821
Cash and cash equivalents at the end of the year	53,73,295	21,00,545
Components of cash and cash equivalents		
Cash on hand	-	-
Balance with banks		
In current accounts	38,73,295	6,00,545
In deposit account	15,00,000	15,00,000
Total cash and cash equivalents	53,73,295	21,00,545
Summary of significant accounting policies	2.1	

The Accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP

ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

Amit Kabra

Partner
Membership No. 094533

Place: Jaipur

Date: May 26, 2016

For and on behalf of the Board of Directors

Au Insurance Broking Services Private Limited

Sanjay Agarwal

(Director)
DIN - 00009526

Place: Jaipur

Date: May 26, 2016

Abhishek Tiwari

(Director)
DIN - 03410007

Notes to the financial statements

for the year ended 31 March 2016

Significant accounting policies:

1 Corporate information

Au Insurance Broking Services Private Limited ('the Company') is a private limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company has been set up to act as a broker for insurance products and has received a Direct Insurance Broker's license from the Insurance Regulatory and Development Authority of India ('IRDAI').

2 Basis of preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

2.1 Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Change of Estimates

There is no change in estimates

(c) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

Brokerage

Revenue in respect of brokerage on insurance policies sold is accounted on the basis of statement received from insurance company and excludes service tax recovered.

Insurance Advisory Fees

Revenue in respect of Insurance advisory fees is recognised on completion of services rendered to the clients.

Income from Deposits

Interest income from deposit with banks and other financial institution is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Income from investments

Dividend is recognized as income when right to receive the payment is established by the date of balance sheet.

(d) Tangible/Intangible Fixed Assets, Depreciation/ Amortisation and Impairment

(i) Tangible assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price and any attributable cost of bringing the asset to its working condition for the intended use.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Depreciation on tangible fixed assets :-

Depreciation on fixed assets is provided on written down value method at the rates and manner prescribed under the Schedule II to the Companies Act, 2013

Notes to the financial statements

for the year ended 31 March 2016

All fixed assets individually costing ₹ 5,000/- or less are fully depreciated in the year of installation/purchase.

Depreciation on assets acquired/sold during the year is recognised on a pro-rata basis to the statement of profit and loss till the date of acquisition/sale.

(ii) Intangible assets

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed four years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds Four years, the Company amortizes the intangible asset over the best estimate of its useful life.

(iii) Impairment of assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(e) Taxes on Income

Tax expense consists of current tax and deferred tax

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961

enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.



Notes to the financial statements

for the year ended 31 March 2016

(f) Earning per share (EPS)

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period.

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

(g) Investment

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

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminutions in value is made to recognize a decline other than temporary in the value of the investments.

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

(h) Retirement and other employee benefits

i.) Defined Contribution Plans

The provident fund and employee state insurance are defined contribution plans and the contribution to the same are charged to the statement of profit and loss during the year ended the year in which services are rendered.

(ii) Defined Benefit Plans

Gratuity is a defined benefit obligation and is provided for at the year end on the basis of an actuarial valuation using the Projected Unit Credit method. Actuarial gains and losses are recognized in the statement of profit and loss as and when incurred.

(iii) Compensated absences

Compensated absences are considered as a long-term employee benefit and is provided for based on an actuarial valuation using Projected Unit Credit method. Actuarial gains and losses are recognized in the statement of profit and loss when incurred.

(i) Operating Leases

Leases where the lessor effectively retains, substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(j) Cash and cash equivalent

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand, short term deposits with an original maturity of three months or less.

Notes to the financial statements

for the year ended 31 March 2016

3. Share capital

Particulars	(In ₹)	
	As at March 31, 2016	As at March 31, 2015
Authorized shares		
750,000 (PY 750,000) Equity shares of ₹ 10/- each	75,00,000	75,00,000
	75,00,000	75,00,000
Issued, subscribed and fully paid up shares		
750,000 (PY 750,000) Equity shares of ₹ 10/- each	75,00,000	75,00,000
	75,00,000	75,00,000

(i) Reconciliation of the number of equity shares outstanding and the amount of share capital as at March 31, 2016 and March 31, 2015 :

Particulars	(In ₹)			
	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares at the beginning of the year	7,50,000	75,00,000	7,50,000	75,00,000
Add: Equity shares issued during the year	-	-	-	-
Equity shares outstanding at the end of the year	7,50,000	75,00,000	7,50,000	75,00,000

(ii) The detail of shareholders holding more than Five Percent of Equity shares as at March 31, 2016 and March 31, 2015 :

Particulars	(In ₹)			
	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	Amount	No. of Shares	Amount
Sanjay Agarwal	5,55,000	74.00	5,36,250	71.50
Au Financiers (India) Limited*	1,95,000	26.00	1,95,000	26.00
	7,50,000	100.00	7,31,250	97.50

* includes 200 equity shares held by nominee of the company

(iii) Terms /rights attached to equity shares

The company has only one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.



Notes to the financial statements

for the year ended 31 March 2016

4. Reserves & surplus

Particulars	(In ₹)	
	As at March 31, 2016	As at March 31, 2015
Surplus		
Balance as per last Balance Sheet	2,35,76,164	39,42,261
Less: Depreciation adjustment	-	(2,683)
Add: Net profit after tax transferred from Statement of Profit and Loss	2,05,03,036	1,96,36,586
	4,40,79,200	2,35,76,164

5. Long-term borrowings

Particulars	(In ₹)	
	As at March 31, 2016	As at March 31, 2015
HDFC Car loan	4,99,018	7,90,771
	4,99,018	7,90,771

6. Long-term provisions

Particulars	(In ₹)	
	As at March 31, 2016	As at March 31, 2015
Provision for employee benefits		
Gratuity	21,81,676	14,74,153
Leave encashment	7,31,955	4,28,585
	29,13,631	19,02,738

7. Other current liabilities

Particulars	(In ₹)	
	As at March 31, 2016	As at March 31, 2015
Current Maturity of long term borrowing	291753	2,62,787
Bank overdraft	-	3409811
Statutory liabilities	10,95,893	3,78,994
Employee benefits payable	81,07,546	46,18,319
Expense payable	3,610,861	6,15,937
Others payable	20,71,376	11,67,119
	1,51,77,429	1,04,52,967

Notes to the financial statements

for the year ended 31 March 2016

8. Short-term provision

Particulars	(In ₹)	
	As at March 31, 2016	As at March 31, 2015
Provision for employee benefit		
Gratuity	98,451	64,924
Leave encashment	12,713	7,366
Income tax (Net of advance taxes/tds)	-	29,03,205
	1,11,164	29,75,495

9. Fixed assets - Tangible assets

Tangible assets					(In ₹)
	Computers and printers	Furniture and fixtures	Office equipments	Vehicle	Total
Cost					
As at 1 April, 2014	15,89,460	2,65,471	1,14,197	-	19,69,128
Addition during the year	16,24,042	5,53,181	76,730	13,30,267	35,84,220
Disposals	-	-	-	-	-
As at 31 March, 2015	32,13,502	8,18,652	1,90,927	13,30,267	55,53,348
Additions	26,95,764	5,73,876	44,100	-	33,13,740
Disposals	-	-	-	-	-
At March 31, 2016	59,09,266	13,92,528	2,35,027	13,30,267	88,67,088
Depreciation					
As at 1 April, 2014	5,71,127	22,769	18,217	-	6,12,113
Charge during the year	12,95,815	1,74,699	81,425	2,60,684	18,12,623
Adjustment	2,683				
Disposals	-	-	-	-	-
As at 31 March, 2015	18,69,625	1,97,468	99,642	2,60,684	24,27,419
Charge for the year	16,53,239	2,49,035	58,145	3,34,078	22,94,497
Disposals	-	-	-	-	-
Adjustment	-	-	-	-	-
At March 31, 2016	35,22,864	4,46,502	1,57,787	5,94,762	47,21,916
Net Block					
At March 31, 2015	13,43,877	6,21,184	91,285	10,69,583	31,25,929
At March 31, 2016	23,86,402	9,46,026	77,240	7,35,505	41,45,172



Notes to the financial statements

for the year ended 31 March 2016

10. Fixed assets - Intangible assets

Intangible assets	(In ₹)	
	Software	Total
Cost		
As at 1 April, 2014	5,50,000	5,50,000
Addition during the year	-	-
Disposals	-	-
As at 31 March, 2015	5,50,000	5,50,000
Additions	1,00,000	1,00,000
Disposals	-	-
At March 31, 2016	6,50,000	6,50,000
Depreciation		
As at 1 April, 2014	1,36,370	1,36,370
Charge during the year	1,37,500	1,37,500
Disposals	-	-
As at 31 March, 2015	2,73,870	2,73,870
Charge for the year	1,15,824	1,15,824
Disposals	-	-
At March 31, 2016	3,89,694	3,89,694
Net Block		
At March 31, 2015	2,76,130	2,76,130
At March 31, 2016	2,60,306	2,60,306

11. Deferred tax assets (Net)

Particulars	(In ₹)	
	As at March 31, 2016	As at March 31, 2015
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for the tax	-	-
Purposes on payment basis	10,00,090	6,40,790
Impact of difference between tax depreciation and depreciation charged for financial reporting	20,720	
Gross deferred tax asset	10,20,810	6,40,790
Deferred tax liability		
Impact of difference between tax depreciation and depreciation charged for financial reporting	-	48,920
Gross deferred tax liability	-	48,920
	10,20,810	5,91,870

Notes to the financial statements

for the year ended 31 March 2016

12. Long term loans and advances (unsecured, considered good)

Particulars	(In ₹)	
	As at March 31, 2016	As at March 31, 2015
Security deposit	6,88,060	4,18,500
	6,88,060	4,18,500

13. Other non-current assets

Particulars	(In ₹)	
	As at March 31, 2016	As at March 31, 2015
Deposits with banks under term deposits (lien marked to IRDA) (note no.15)	15,00,000	15,00,000
	15,00,000	15,00,000

14. Current investment

Particulars	(In ₹)	
	As at March 31, 2016	As at March 31, 2015
Unquoted Non-trade investments (valued at cost unless stated otherwise)		
Investment in mutual fund	3,44,93,987	2,46,46,864
	3,44,93,987	2,46,46,864
Aggregate value of quoted investments		
Cost	3,44,93,987	2,46,46,864
Market value	3,51,51,301	2,49,70,001

15. Trade Receivable

Particulars	(In ₹)	
	As at March 31, 2016	As at March 31, 2015
Trade Receivables		
Unsecured, considered good		
Greater than 6 months	-	-
Less than 6 months	44,63,834	4,17,975
	44,63,834	4,17,975



Notes to the financial statements

for the year ended 31 March 2016

16. Cash and cash equivalents

Particulars	(In ₹)			
	As at 31st March 2016		As at 31st March 2015	
	Current	Non-Current	Current	Non-Current
Cash and cash equivalents				
Cash in hand	-	-	-	-
Balance with banks				
In current accounts	38,73,295	-	6,00,545	-
Other bank balances				
Deposit with original maturity of more than 12 months	-	15,00,000	-	15,00,000
Deposit with original maturity of more than 3 months but less than 12 months	15,00,000	-	15,00,000	-
Amount disclosed under the head "Other non-current assets (note no.13)		(15,00,000)		(15,00,000)
	53,73,295	-	21,00,545	-

17. Short term loans and advances (unsecured, considered good)

Particulars	(In ₹)	
	As at March 31, 2016	As at March 31, 2015
Advance to staff	1,92,837	5,10,030
Prepaid expenses	4,80,368	84,279
Direct taxes refunds to be received	-	37,91,290
Advances recoverable in cash or kind	16,07,770	16,14,431
Advance tax/TDS (Net of Provision)	20,24,056	-
	43,05,030	60,00,030

18. Other current assets

Particulars	(In ₹)	
	As at March 31, 2016	As at March 31, 2015
Unbilled revenue	1,39,00,091	80,70,730
Interest accrued but not due on fixed deposit	1,29,857	49,562
	1,40,29,948	81,20,292

19. Revenue from operations

Particulars	(In ₹)	
	Year ended March 31, 2016	As at March 31, 2015
Brokerage income	7,44,03,053	5,53,43,006
Insurance advisory income	4,00,28,781	3,10,73,571
	11,44,31,834	8,64,16,577

Notes to the financial statements

for the year ended 31 March 2016

20. Other income

Particulars	(In ₹)	
	Year ended March 31, 2016	As at March 31, 2015
Interest from fixed deposits with banks	2,63,658	2,73,751
Dividend from investments in mutual fund	-	2,80,952
Profit on sale of investment	15,23,729	28,940
Interest others	2,24,165	1,71,792
Other non-operating income	-	1,19,866
	20,11,552	8,75,301

21. Employee benefits expenses

Particulars	(In ₹)	
	Year ended March 31, 2016	As at March 31, 2015
Salaries and other benefits	5,81,08,272	3,85,68,369
Directors Remuneration	23,30,629	35,72,106
Contribution to provident and other funds	27,53,529	21,73,819
Gratuity and leave availment expenses	13,47,324	7,49,847
Staff welfare expenses	5,62,654	2,14,599
	6,51,02,408	4,52,78,740

21.1 Details of employees benefits

a) Defined contribution plan

Provident fund

The Company makes Provident Fund contributions to a defined contribution retirement benefit plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to the Provident Fund Commissioner to fund the benefits.

The Company recognized ₹ 18,50,312 (P.Y. 13,95,810) for provident fund contributions in the statement of profit and loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

b) Defined benefit plans

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed at least five years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The company has not created any fund for payment of gratuity.

The following table sets out the disclosures as required by revised Accounting Standard 15 for Gratuity

Notes to the financial statements

for the year ended 31 March 2016

Statement of profit and loss

Net employee benefit expense recognized in the employee cost

Particulars	(In ₹)	
	Year ended March 31, 2016	Year ended March 31, 2015
Current service cost	9,79,867	6,04,177
Interest cost on benefit obligation	1,19,278	64,928
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognized in the year	(60,538)	1,89,339
Net benefit expense	10,38,607	8,58,444

Balance sheet

Benefit asset/liability

Particulars	(In ₹)	
	Year ended March 31, 2016	Year ended March 31, 2015
Present value of defined benefit obligation	22,80,127	15,39,077
Fair value of plan assets	-	-
Plan asset / (liability)	22,80,127	15,39,077

Changes in the present value of the defined benefit obligation are as follows:

Particulars	(In ₹)	
	Year ended March 31, 2016	Year ended March 31, 2015
Opening defined benefit obligation	15,39,077	7,01,925
Current service cost	9,79,867	6,04,177
Benefit paid during the year ending 31-03-2016	(2,97,557)	(21,292)
Interest cost	1,19,278	64,928
Actuarial (gain)/loss on obligation	(60,538)	1,89,339
Closing defined benefit obligation	22,80,127	15,39,077

Notes to the financial statements

for the year ended 31 March 2016

The principal assumptions used in determining gratuity benefit obligations for the company's plans are shown below:

Particulars	(In ₹)	
	Year ended March 31, 2016	Year ended March 31, 2015
Discount rate	8.00%	7.75%
Salary escalation rate	7.50%	7.00%
Withdrawal rate		
upto age 30	5.00%	5.00%
age 31-40	3.00%	3.00%
age 41-50	2.00%	2.00%
age 51 & above	1.00%	1.00%

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

Amounts for the current and previous years are as follows:

Particulars	(In ₹)				
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2012
Defined benefit obligation	22,80,127	15,39,077	7,01,925	1,75,783	-
Plan assets	-	-	-	-	-
Surplus / (deficit)	22,80,127	15,39,077	7,01,925	1,75,783	-
	(60,538)	1,89,339	1,55,991	-	-
Experience adjustments on plan assets	-	-	-	-	-

c) Other Benefits

The Company has provided for compensatory leaves which can be availed and not encashed as per policy of the company as present value obligation of the benefit at related current service cost measured using the Projected Unit Credit Method on the basis of an actuarial valuation. The Company has made provision of ₹ 3,08,717 in Current year. However Company had reversed provision of ₹ 1,08,597 in previous year.

22. Finance cost

Particulars	(In ₹)	
	Year ended March 31, 2016	As at March 31, 2015
Interest paid	1,24,652	63,981
Bank charges	5,586	5,309
	1,30,238	69,290

Notes to the financial statements

for the year ended 31 March 2016

23. Other expenses

Particulars	(In ₹)	
	Year ended March 31, 2016	As at March 31, 2015
Business promotion expenses	1,13,217	1,62,165
Computer repair & maintenance	5,87,024	3,71,411
Contest expenses	16,281	1,42,000
Contract expenses	57,700	-
Electricity & Water expenses	5,17,395	4,78,610
Fee and subscription	1,16,500	1,16,000
Insurance expenses	4,53,133	2,01,103
Legal & professional fees	1,59,600	6,534
Office & general expenses	2,13,299	1,92,544
Postage & courier expenses	3,56,291	3,68,284
Printing & stationery	8,03,270	6,59,665
Rates & Taxes	67,160	-
Rent (note no. 23.1)	27,48,040	23,06,940
Repair & maintenance	1,84,205	1,27,894
Swachh Bharat Cess (Exp)	6,797	-
Telephone & communication expenses	7,01,861	14,63,065
Tours & travels	97,54,031	40,11,834
Training & seminar expenses	43,972	2,18,310
Website expenses	8,000	8,524
Penalty	2,00,000	-
Balance W/off	1,88,086	-
Auditor's remuneration	-	-
- Audit fees	4,50,000	2,00,000
- Tax audit fees	50,000	50,000
	1,77,95,862	1,10,84,883

23.1 The Company's significant leasing arrangements in terms of Accounting Standard 19 on Leases are in respect of operating leases for premises. These leasing arrangements, which are cancellable generally, range between 11 months and 36 months and are usually renewable by mutual consent on mutually agreeable terms.

24. Tax expenses

Particulars	(In ₹)	
	Year ended March 31, 2016	As at March 31, 2015
Current tax	1,08,23,777	96,47,852
Deferred tax	(4,28,940)	(5,06,350)
	1,03,94,837	91,41,502

Notes to the financial statements

for the year ended 31 March 2016

25. Earning per share

Particulars	(In ₹)	
	Year ended March 31, 2016	As at March 31, 2015
Following reflects the profit and share data used in basic EPS computations:		
Basic and diluted		
Weighted average number of equity shares outstanding during the year ended 31 March 2016 (Nos.)	7,50,000	7,50,000
Net profit for calculation of basic EPS (₹)	2,05,03,036	1,96,36,586
Basic and diluted earning per share (In ₹)	27.34	26.18
Diluted		
Diluted number of equity shares	7,50,000	7,50,000
Net profit for calculation of basic DEPS	2,05,03,036	1,96,36,586
Diluted earning per share	27.34	26.18
Face value of equity shares (In ₹)	10	10

26 The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

27 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

There are no amounts that need to be disclosed in accordance with the Micro Small and Medium Enterprise Development Act, 2006 (the 'MSMED') pertaining to micro or small enterprises. For the year ended March 31, 2016, no supplier has intimated the Company about

its status as micro or small enterprises or its registration with the appropriate authority under MSMED.

28 Capital and other commitments

There are no contracts remaining to be executed on capital account and not provided for as at March 31, 2016; Nil (Previous year ₹ Nil).

29 Litigations

The Company does not have any pending litigations which would impact its financial position.

30 Previous year figures

The company has reclassified previous year figures to conform to this year's classification.

31 Related party disclosures

Names of related parties and related party relationship

Related party with whom transactions have taken place during the year

1. Associates

Au Financiers (India) Limited

2. Key management personnel

Mr. Sanjay Agarwal , Director
Mr. Uttam Tibrewal , Director
Mr. Ashok Kumar Goyal , Director
Mr. Abhishek Tiwari , Director

3. Enterprises under significant influence of the key management personnel

Au Housing Finance Limited

Notes to the financial statements

for the year ended 31 March 2016

a. Remuneration to key managerial personnel

Particulars		(In ₹)	
		31-Mar-16	31-Mar-15
Mr. Ashok Kumar Goyal, Director	Salary and bonus	21,84,120	35,72,106
Mr. Abhishek Tiwari, Director	Salary	1,58,727	-

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

*Mr. Ashok Kumar Goyal has resigned w.e.f 30.09.2015

*Mr Abhishek Tiwari has joined as director w.e.f 16.03.2016

b. Other transaction

Name of related party	Nature of related party	Nature of transactions	31-Mar-16				31-Mar-15			
			Amount received	Amount paid	Balance receivable	Balance Payable	Amount received	Amount paid	Balance receivable	Balance Payable
Au Financiers (India) Limited	Associate company	Reimbursement of expenses	2,72,399	9,07,107	-	-	-	23,49,500	-	-
Au Financiers (India) Limited	Associate company	Reimbursement of statutory payments	-	46,36,482	-	-	-	37,12,660	-	-
Mr. Abhishek Tiwari	Director	Reimbursement of expenses	-	6,32,541	-	2,11,551	-	-	-	-
Au Housing Finance Limited	Enterprises under significant influence	Reimbursement of expenses	-	-	-	-	-	-	-	-

The Accompanying notes are an integral part of the financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP

ICAI Firm Registration No. 101049W/E300004
Chartered Accountants

Amit Kabra

Partner
Membership No. 094533

Place: Jaipur
Date: May 26, 2016

For and on behalf of the Board of Directors

Au Insurance Broking Services Private Limited

Sanjay Agarwal

(Director)
DIN - 00009526

Place: Jaipur
Date: May 26, 2016

Abhishek Tiwari

(Director)
DIN - 03410007

Notice of Annual General Meeting

Notice is hereby given that the Seventh Annual General Meeting of the members of Au INSURANCE BROKING SERVICES PRIVATE LIMITED will be held on Wednesday, the 20th day of July 2016 at the registered office of the Company at 3rd floor, Maker Tower, Beside Gopalpura Pulia, Tonk Road, Jaipur-302015 at 10.30 AM, to transact the following business:

ORDINARY BUSINESS

1. To Consider and Adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon; and
2. **To ratify the appointment of the statutory auditors of the Company**

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), as may be applicable, and pursuant to the resolution passed by the shareholders in the 5th Annual General Meeting of the Company held on August 6, 2014, the appointment of M/s. S. R. Batliboi & Associates LLP., Chartered Accountants (Firm Registration No. 101049W/E300004) as Statutory Auditors of the Company to hold office till the conclusion of the 10th Annual General Meeting of Company to be held in the calendar year 2019, be and is hereby ratified (for the financial year

2016-17) and that the Board of Directors be and is hereby authorised to fix the remuneration, excluding applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit, payable to them for the financial year 2016-17, in consultation with the Auditors.”

SPECIAL BUSINESS

3. **Regularisation of Appointment of Additional Director**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Abhishek Tiwari (DIN: 03410007), who was appointed as an Additional Director on March 16, 2016 pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Director of the Company.

RESOLVED FURTHER THAT Board of Directors of the Company be and is hereby authorised to take all such steps and approvals as may be required for making appointment of Mr. Abhishek Tiwari as Director and to file necessary particulars/forms with Ministry of Corporate Affairs.”

Place: Jaipur
Date: May 26, 2016

For and on behalf of the Board of Directors
Au Insurance Broking Services Private Limited

Abhishek Tiwari
(Director)
DIN - 03410007

Notice of Annual General Meeting (Contd.)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED/CORPORATE OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

Pursuant to the provisions of the Companies Act, 2013 and the underlying rules viz. Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. APPOINTMENT OF AUTHORISED REPRESENTATIVES
Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. SHAREHOLDER QUERIES
In case you have any query relating to the enclosed Financial Statements or about the operations of the Company, you are requested to send the same to the undersigned at the Registered Office of the Company at least seven (7) days before the date of Annual General Meeting so that the information can be made available at the meeting.
4. Members/proxies should bring the attendance slip duly filled in for attending the Meeting.
5. Members are requested to write their folio number in the attendance slip and hand it over at the entrance of the meeting hall.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. The register of Contracts Arrangements in which the Directors are interested, maintained under section 189 of Companies Act, 2013 will be available for inspection by the members at the AGM.
8. The Register of Directors' Shareholding are open for inspection at the Registered Office of the Company on all working days from 10 AM to 5 PM upto the date of Annual General Meeting.
9. The Notice of Annual General Meeting and the copies of audited financial statements, Board's report, auditors' report, etc. will also be displayed on the website www.auins.in of the Company and the other requirements as applicable will be duly complied with. Electronic copy of the Annual Report and Notice of Annual General Meeting for the financial year 2015-16 is being sent to all the members whose email IDs are registered with the Company for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report and the notice along with Attendance Slip and Proxy Form is being sent in the permitted mode. Members may also note that even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the undersigned at abhishek.tiwari@auins.in

Place: Jaipur
Date: May 26, 2016

**For and on behalf of the Board of Directors
Au Insurance Broking Services Private Limited**

Abhishek Tiwari
(Director)
DIN - 03410007

Attendance Slip

Au Insurance Broking Services Private Limited

CIN: U67200RJ2010PTC030778

Registered Office: 3rd floor, Maker Tower, Beside Gopalpura Pulia, Tonk Road, Jaipur- 302015

I hereby record my presence at the ANNUAL GENERAL MEETING of Au INSURANCE BROKING SERVICES PRIVATE LIMITED on Wednesday, the 20th day of July, 2016 at 10.30 AM at the registered office of the Company at 3rd floor, Maker Tower, Beside Gopalpura Pulia, Tonk Road, Jaipur- 302015

Name:

Ref. Folio/D.P & Client ID No.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

No. of Shares held

Notes:

1. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed.
2. Shareholder/Proxy holder desiring to attend the meeting should bring his/her copy of the Notice for reference at the meeting.

Form No. MGT-11
Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

CIN: U67200RJ2010PTC030778

Name of the Company : **Au INSURANCE BROKING SERVICES PRIVATE LIMITED**

Registered office : 3rd floor, Maker Tower, Beside Gopalpura Pulia, Tonk Road, Jaipur- 302015 (Rajasthan)

Name of the member(s):

Registered Address:

E-mail Id:

Folio No/Client Id:

DP ID:

/We, being the member(s) of Au INSURANCE BROKING SERVICES PRIVATE LIMITED, holding _____ shares of the above named company, hereby appoint

1. Name:
Address:
E-mail ID: Signature or failing him
2. Name:.....
Address:.....
E-mail ID: Signature or failing him
3. Name:.....
Address:.....
E-mail ID: Signature or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting/Extraordinary General Meeting of the Company, to be held on Wednesday, the 20th day of July, 2016, at 10.30 AM at the registered office of the Company at 3rd floor, Maker Tower, Beside Gopalpura Pulia, Tonk Road, Jaipur- 302015 (Rajasthan) and at any adjournment thereof in respect of such resolutions as are indicated below:-

Resolution No.:1

To Consider and Adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon.

Resolution No.:2

To ratify the appointment of the statutory auditors of the Company.

Resolution No.:3

Regularisation of Appointment of Additional Director

Signed this day of 2016

Signature of shareholder

Signature of Proxy Holder(s)

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Bank addressed to the "Company Secretary", not later than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Bank. Further, a Member holding more than ten percent of the total share capital of the Bank carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.





AU INSURANCE
BROKING SERVICES PVT. LTD.

Registered office:

3rd Floor, Maker Tower,
Beside Gopalpura Pulia,
Tonk Road,
Jaipur 302015

Phone: 0141-6620001

Website: www.auins.in

CIN:U67200RJ2010PTC030778

IRDAI License Number 434, Code: DB-480/10

Category of Licence: Direct Broker

Validity renewed from 21/05/2015 to 20/05/2018