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ANNUAL REPORT 2020 - 21

TO THE DIGITAL FUTURE



MaSuraksha
Make Life Secure

The man who started it all – Late Shri V. C. Padmanabhan



Shri V. C. Padmanabhan
(1916-1986)

Shri V. C. Padmanabhan belonged to the costal fishing village of Valapad in Malabar district of the erstwhile Madras Presidency. He was committed to uplifting the economically weaker sections of the society, particularly the farmers, fishermen and agricultural labourers in his community. In 1949, he decided to help the people of his village by setting up his own small business of providing loans against the security of jewellery at affordable rates to those who did not have the capacity to approach banks. Thus began the story of Manappuram Finance Limited (MAFIL).

From then until now, the Company has won the trust of many a customers and has played a pivotal role in taking organised lending to underprivileged people.

Driven by Shri Padmanabhan's values of trust and integrity, Manappuram Finance is transitioning to a full-fledged non-banking financial company (NBFC) that will continue to exceed customer expectations and help them fulfil their aspirations. Our core strengths of customer centricity, stakeholder integrity and quick adoption of top-notch technology for seamless operations will help us stay ahead of the curve.

We will always look up to Shri Padmanabhan and stay true to his values for all our endeavours.

CHAIRMAN

Mr.V.P.NANDAKUMAR

MD & CEO, MANAPPURAM FINANCE LTD



Manappuram was founded in 1949 by late V.C. Padmanabhan, father of Mr. Nandakumar, and Mr. Nandakumar took over the reins of this one branch business in 1986 after his father passed away. Since then, it has been a story of unprecedented growth, and his visionary leadership was instrumental in scripting the saga of success.

Mr. Nandakumar promoted Manappuram Finance Ltd. in 1992 and today the company has a pan-India presence with over 4185 branches across 23 states and 4 union territories with Assets under management (AUM) of nearly Rs.16,000 crore and an employee count of close to 25,000. In recent years, he has steered the company's diversification into microfinance, vehicle and housing finance, and SME lending where a promising start has been made. The move into microfinance followed the acquisition of the Chennai based Asirvad Microfinance in February 2015.

He was one among the 16 finalists at the EY Entrepreneur of the Year Awards 2017 held in Mumbai on February 15, 2018. Significantly, he is also hailed in stock market circles as a leading wealth creator for shareholders. In January 2017, Manappuram Finance Limited was ranked at 13th position in the list of the Top 20 wealth creators in the stock market published by Moneylife. Besides focus on business, the cause of the wider community is central to his vision. He established the Manappuram Foundation at Valapad in 2009 to drive the corporate social responsibility (CSR) programme of the Manappuram group. Today, the Manappuram Foundation oversees a wide range of projects in education and health care, focussed predominantly on the coastal belt of Thrissur. V.P. Nandakumar is a Managing Committee member of leading trade and industry associations such as ASSOCHAM, FICCI and FIDC. He is a former Chairman of the Kerala State Council of the Confederation of Indian Industry (CII). He is member of the Lions Clubs International Foundation's Committee on CSR and till recently was also a Board Appointee to the International Board of Directors of Lions Clubs International. Mr. V.P. Nandakumar was born in 1954 and holds a post graduate degree in science with additional qualifications in Banking and Foreign Trade. He has attended Management Development Programmes for CEOs at IIMs Ahmedabad and IIM Bangalore. In December 2013, he took part in a Global Strategic Leadership Program at the Wharton Business School, Philadelphia (USA).

MESSAGE FROM CHAIRMAN

Dear All,

We are now in the year of digitalisation and Manappuram as you know is utmost important to digital transportation of all its activities beats the back end or front end of operations. I am very happy with the growth of Manappuram Insurance Brokers Limited and with the launch of Masuraksha a platform for insurance sales. It is a most user friendly B2C website for buying all kinds of policies from different insurance companies. Our mantra is leave life without worries. The process of buying policies very simple. select product filling in the details make payments and get policies. In the first place we are launching Two-wheeler policies on this portal. Other products like car insurance, Insurance of commercial vehicle, health insurance, house holders' protection, shop keepers policies, critical illness policies, travel insurance, life insurance policies, etc will be made available shortly. This will help you to make necessary comparison and avail the best policy within a few minutes. No worry even if it is a Sunday or holiday our portal will work 24x7 you will get the best selection and services through this portal at most competitive rates. You can even save your policy copy in the portal and redrive as it needed as a simple OTP mechanism. Claim settlement is one of the important aspects for customer buying the policies through this portal. Launching a claim has been made very simple which gives you quick access 24x7. I thank all colleagues and stake holders who have helped the Company in its growth even at the difficult time

BOARD OF DIRECTORS



Mrs. JYOTHY PRASANNAN

Director

She holds a Master's Degree in Science and have more than 15 years of rich experience and in-depth of knowledge in managing the affairs of NBFCs. She is also serving as Managing Director of Manappuram Nidhi Limited and as Director in Manappuram Chits (India) Limited Manappuram Jewellers Limited, Manappuram Chit Funds Company Private Limited and Manappuram Chits (Andhra) Private Limited.

Mr. B.N. Raveendra Babu is an M.com Rank Holder from Calicut University in Financial Management in the year 1975. He has completed inter level of Institute of Cost & Management Accounting in the year 1977. He is currently also serving as Executive Director of Manappuram Finance Limited and as Director of Asirvad Micro Finance Limited. During the Professional career he had served as Finance Manager in Blue Marine International (UAE).

Further he had also served as Whole Time Director of MABEN Nidhi Limited, as Managing Director of Manappuram Finance Tamil Nadu Limited, as Director in Manappuram Comptech and Consultants Limited, Manappuram Jewellers Limited, Manappuram Asset Finance Limited, and Manappuram Chits India Ltd (MACIL).



Mr. B.N.RAVEENDRA BABU

Non Executive Director



Mr. V.R.RAMA CHANDRAN

Non-Executive and Independent Director

Mr. V.R. Ramachandran is an eminent lawyer of Thrissur Bar and is well versed with the provisions of Civil as well as Criminal laws. He has long standing relationship with the Company and has been handling civil/ criminal cases of the company.

BOARD OF DIRECTORS

Mr. Subrahmanyam Kollimarla holds Bsc Mathematics, Andhra University, An Associate of Institute and Faculty of Actuaries, London. A Fellow of the Institute of Actuaries of India, Mumbai. A Fellow of Insurance Institute of India.

He has vast experience in life insurance business, employee benefits, insurance regulation and supervision. He has contributed a lot in various committees on insurance, pension and tax matters, and actuarial profession. He has travelled a lot attending and speaking in many seminars, conferences, and meets on insurance, employee benefits actuarial matters.



Mr. SUBRAHMANYAM KOLLIMARLA

Non-Executive Director

Mr. M.N. Gunavardhanan is a Retd. IAS Officer. He is a post graduate in MA (English Literature) from Kerala University. He holds bachelor's degree in Law from Kerala University and have also secured PGDM from IIM-BIAS. During his professional career he has served as District collector of Alappuzha, as Director of The Kerala State Co-operative Coir Marketing Federation Ltd.(COIRFED) No. 679, P.B. No. 4618 H.P.

Alappuzha Kerala, India, as Managing Director of Oushadhi, KTDC, and State Co-operative Bank, as Director and HOD of various depts. like Agriculture, Social Welfare, Civil supplies, Employment , Industrial Training health and Aids control society, as Commissioner of Civil supplies, as Secretary to Govt. Irrigation dept, as State Information Commissioner and as Past President of Trichur Management Association.



Mr. M.N.GUNAVARDHANAN

Non-Executive and Independent Director

DIRECTORS REPORT

To
The Members of
MANAPPURAM INSURANCE BROKERS LIMITED
CIN:- U66010KL2002PLC015699

Your Directors are pleased to present the 19th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2021.

1. PERFORMANCE OF THE COMPANY/ SUMMARY OF FINANCIAL RESULTS

The financial results for the year ended 31st March, 2021 and the corresponding figures for the last year are as under:-

Financial Results

(Amount in Rs) (in millions)

Description	As on March 31, 2021	As on March 31, 2020
Income from Operations	92.49	144.06
Other Income	6.50	6.21
Total Revenue	99.00	150.24
Total Expense	59.80	53.95
Profit Before Tax	39.20	96.29
Less:- Current Tax	10.14	23.83
Deferred Tax	0.023	(0.83)
Profit for the years	29.03	73.29
Other Comprehensive income for the year	0.18	(0.59)
Total comprehensive Income for the year	29.21	72.69

2. OUTLOOK FOR 2021-22

With the launch of B2C platform www.masuraksha.com, company has started selling two-wheeler insurance products directly to the customer. Company will be expanding the MASURAKSHA platform and will be integrating various insurance companies for all insurance products by 2021-22. With this customer will be able to buy all insurance products online without any manual intervention. Company will also be expanding the tele calling service to customers as a part of B2C which will provide real-time support to customers in case of any difficulty in purchase of policy. Company is also planning to expand its horizon in the Point of sales channel. Company will be engage POSP across the length and breadth of country which will help in penetration of business even in rural areas.

3.RESERVES AND SURPLUS:

During the year Company had transferred NIL amount to the General Reserve. The total balance of reserves and surplus stands at Rs 34 million as on 31st March 2021.

4. STATE OF COMPANY'S AFFAIRS:

We are glad to inform you that, your Company had performed well during the Financial Year 2020-21 even with the prevailing COVID-19 pandemic situation and the growth of the company was above target. The revenue from operations of the Company was Rs. 92.4 million and profit for the year was Rs. 29.0 million during the F.Y. 2020-21. During the corresponding period of the previous year the revenue from operations of the Company was 150.2 millions and Net Profit was Rs. 73.2 millions Keeping the major focus on operation of business, your Company is looking into various opportunities that may be available considering the growth prospects.

5. WEB LINK OF ANNUAL RETURN

The Company is having website i.e. www.maibro.in and annual return of Company has been published on such website. Link of the same is given below:

<https://maibro.in/Report/MAIBRO ANNUAL REPORT 2020-21.pdf>

6. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of business. Due to the impact of COVID-19 Pandemic, across India the business of the Company decreased tremendously and the profit of the Company was also impacted.

7.DIVIDEND :

Company had declared 1 interim dividend during the year. Interim dividend of 320% at the rate of Rs.32/- (Rupees Thirty Two Only) per Equity Share of Rs.10/- amounting to Rs. 52.4 millions was declared in the Board meeting held on 31st October 2021 based on the unaudited financial statements of the Company for the period ending 31st September 2021 as considered by the Board and Audit Committee meeting held on 31st October 2021.

8. BOARD OF DIRECTORS

The composition of the Board of Directors of the Company is governed by the relevant provisions of Companies Act 2013 and the Rules made thereunder. The company's Board consists of Executive, Non-executive and independent directors with expertise and experience in the field of insurance, operations management, financial management etc. As on 31st March 2021, the company's Board consist of 6 directors.

During the Financial Year 2020-21, the Company held 5 board meetings as summarized below. The provisions of Secretarial Standards and the Companies Act, 2013 were adhered to while considering the time gap between two meetings.

Sr. No.	Date of Meeting	Board Strength	No. of Directors Present
1.	07 th May 2020	7	7
2.	21 st July 2020	7	7
3.	31 st October 2020	6	6
4.	22 nd January 2021	6	6
5.	13 th March 2021	6	6

9. DISCLSOURE ON COMMITTEE COMPOSITION

AUDIT COMMITTEE.

Composition of Audit Committee:

Name of the Member	Position	Category of Directors
Mr. M.N. Gunavardhanan	Chairman	Independent Director
Adv. Ramachandran	Member	Independent Director
Mr. B.N. Raveenrda Babu	Member	Non-Executive Director

SCOPE

The Audit Committee shall act and have powers in accordance with the terms of reference which shall include the following:

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers it to be necessary
- To have full access to information contained in the records of the Company

NOMINATION COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE

Composition of Committee:

Name of the Member	Position	Category of Directors
Adv. V.R. Ramachandran	Chairman	Independent Director
Mr. M.N. Gunavardhanan	Member	Independent Director
Mr. V.P. Nandakumar	Member	Director

COMMITTEE CHARTER

The Nomination Compensation and Corporate Governance Committee ("Committee") of the Board of directors ("Board") of Manappuram Insurance Brokers Limited("Company") will report to the Board and shall:

- Support the Board in matters related to setup and composition of the Board, its Committees and the leadership team of the Company comprising Key Managerial Personnel ("KMP" as defined by the Companies Act, 2013) and Executive team.
- Carry out the evaluation of every Director's performance and support the Board and Independent Directors, as may be required, in evaluation of the performance of the Board, its Committees and individual Directors

Support the Board in matters related to remuneration for Directors, KMPs, Executive team and other employees.

Extend oversight on the familiarization programme of Directors.

Extend oversight on the HR philosophy, HR and People strategy and key HR practices.

CSR COMMITTEE

CSR Committee means the committee of the board constituted in terms of Section 135 of the Companies Act, 2013 read with Rule 5 of the rules.

Composition of CSR Committee:

CSR Committee:

Adv. Ramachandran	Chairman	Independent Director
Mrs. Jyothi Prasannan	Member	Director
Mr. Subrahmanyam K	Member	Independent Director

Role of the Committee:-

- i) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII and recommend the amount of expenditure to be incurred on the activities.
- ii) Review and recommend any new CSR initiatives to be taken up by the company including the selection/appointment of implementation agencies.
- iii) Review the progress of CSR projects undertaken by the company and the utilization of budgets for each such projects
- iv) Review and recommend the CSR report to be included in the board's report.
- v) Review and recommend any amendments to be made in the CSR policy of the Company from time to time.
- vi) To carry such other functions as may be delegated to it by the board relating to CSR activities of the company.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mrs. Jyothi Prasannan will be retired by rotation at the forthcoming Annual General Meeting and being eligible, offer herself for reappointment.

Independent Director Mr. P. K. Vijayakumar resigned from the Board of Directors on 18th August 2020 due to personal reasons and the same was taken note by the Board of Directors on 26th August 2020.

11. ANNUAL EVALUATION

Pursuant to section 35b(ii) of the Companies (Amendment) Bill 2016, Board of directors has carried out Annual evaluation on its own performance, its committee and of individual directors. Nomination committee reviewed the performance of the non-Executive directors (including Independent Directors) based on criteria such as attendance, Board composition, Board procedure, level of participation, contribution to the committee and its decision making, Independence, Risk management, continuity on the Board and performance appraisal questionnaire etc. In addition, the chairman and managing director was also evaluated on the key aspects of their role. The Performance of the board and committee also evaluated by the Board after seeking inputs from all the directors based on criteria such as composition and structure, effectiveness of board process information and functioning

During the year Company paid commission of Rs. 1 lakh each to Mr. K. Subrahmanyam (Independent director), Mrs. Jyothi Prasannan (Non- Executive Director), Mr. M.N. Gunavardhanan (Independent Director) and Mr. P.K Vijayakumar (Independent Director) inclusive of taxes for the financial year 2020-21 considering their contribution to the functioning of the Board and their seniority, in compliance with relevant provisions of Companies Act and the rules made thereunder.

12. CORPORATE GOVERNANCE

The Company is committed to achieve the highest standard of Corporate Governance and it aspires to benchmark itself with the best practices in this regard. Company has also framed Guidelines on Corporate governance which was approved by the Board in its meeting.

13. COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES:

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company. But the Company as a part of good corporate Governance has framed Nomination and Remuneration Committee which works as per the approved charter of Committee. We hereby confirm that all the appointment, payment of remuneration and discharge of directors' duties are made as per the approvals of Nomination and Remuneration Committee.

14. IRDAI COMPLIANCE

Company has put in place Solicitation policy which includes the approach to be followed by the Insurance broker in having multiple tie-ups, type of products sold, mode of solicitation, grievance redressal mechanism, reporting requirements and any other item with regard to different business segments., policy for broker qualified employees explaining the code of conduct to be followed and outsourcing policy which explains in detail the process to be followed by the Company while outsourcing the activities of Company as per IRDAI (Insurance Brokers) Regulations, 2018

15. DETAILS OF FRAUD REPORT BY AUDITOR:

As per auditors' report, no fraud u/s 143(12) reported by the auditor.

16. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES :

The provisions Corporate Social Responsibility is applicable to the company from F.Y. 2020-21. In line with the Companies Act, 2013, the Company had constituted a Corporate Social Responsibility Committee of the Board consisting of following directors.

The composition of the Corporate Social Responsibility Committee of Directors w.e.f. 07th May 2020 was as under:

1. Mr. P.K. Vijayakumar - Chairman
2. Mrs. Jyothi Prasannan- Member
3. Mr. K. Subrahmanyam - Member

However due to the resignation of Independent Director Mr. P.K. Vijayakumar the committee was reconstituted with following members on 26th August 2021 through circular resolution by the Board of Directors.

CSR Committee: -

1. Adv. Ramachandran - Chairman
2. Mrs. Jyothi Prasannan - Member
3. Mr. Subrahmanyam K – Member

17. RISK MANAGEMENT POLICY:

Considering the size and number of transaction during the year, the Company has adequate risk management plan and board has a sufficient control over various risks of the Company. Risk status of the Company is quarterly reviewed by the Board of Directors and is periodically reviewed by the top management and significant risks are being reported to the Board.

18. SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY :

The Company does not have any Subsidiary / Joint Ventures / Associate Companies. The Company is a wholly owned subsidiary of M/s. Manappuram Finance Limited

19. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

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

20. CHANGES IN SHARES CAPITAL

During the year, there were no change in the share capital of the Company.

21. COMPLIANCE WITH SECRETARIAL STANDARD:

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively

22. STATUTORY AUDITORS:

The Auditors, M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number-117366W/W-100018, 31st Floor. Indiabulls finance Centre, Tower 3, SB Marg. Murnbai 100013. India), shall continue to be the Statutory Auditors of the Company till the conclusion of 19th AGM of the Company. M/s. Mukund M Chitale & Co., CA firm based out of Mumbai headed by Mr. Mukund M Chitale who has rich experience of 45+ years post qualification and having considerable experience in insurance industry is proposed to be appointed as statutory auditors of the Company in the ensuing Annual general meeting of the Company.

23. AUDITORS' REPORT:

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

24. BOARD'S COMMENT ON THE AUDITORS' REPORT

The observations of the Statutory Auditors, when read together with the relevant notes to the accounts and accounting policies are self-explanatory and do not call for any further comment.

25. EXTRACT OF ANNUAL RETURN

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014 an extract of annual return in MGT-9 as a part of this Annual Report.

26. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

The Company has not given any loans, made investment, gave guarantee, or provided security as per the provisions of Section 186 of the Companies Act, 2013.

27. DEPOSIT:

The Company has neither accepted nor renewed any deposits during the year under review.

28. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The Company had entered related party transaction during the current year. The Company presents all related party transactions before the Board specifying the nature, value, and terms and conditions of the transaction. Transactions with related parties are conducted in a transparent manner with the interest of the Company and Stakeholders as utmost priority.

FORM AOC- 2 giving details about the related party transaction during the year is attached as annexure of Board Report

29. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee we have formed regional committee at Thrissur Level dated 06th February 2017.

All employees (permanent, contractual, temporary, trainees) are covered under this policy. The Company did not receive any complaint during the year 2020-21. Board of Directors reviewed the Policy in its meeting held on 22nd January 2020.

30. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The details of conservation of energy, technology absorption, foreign exchange earning and outgo are as follows:

Conservation Of Energy

(i)	the steps taken or impact on conservation of energy	Company's operation does not consume significant amount of energy.
(ii)	the steps taken by the company for utilizing alternate sources of energy.	Not applicable, in view of comments in clause (i)
(iii)	the capital investment on energy conservation equipment's	Not applicable, in view of comments in clause (i)

Technology Absorption

(i)	the effort made towards technology absorption	The Company has adopted BRP system for smooth running of its business and better completion Implementation –Online based insurance policy issuance through the Company website is in process in order to attract tech customers and to give better comparison of various insurance products of various insurance companies.
(ii)	the benefits derived like product improvement cost reduction product development or import substitution	These technology brings more business to the Company with lesser man power inception and will be cost-effective
(iii)	in case of imported technology (important during the last three years reckoned from the beginning of the financial year)	Nil
	(a) the details of technology imported	
	(b) the year of import;	
	(c) whether the technology been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	Nil

Foreign exchange earnings and outgo

During the year, the total foreign exchange used was Rs. Nil and the total foreign exchange earned was Rs. Nil

31. COST RECORD

The provision of Cost audit as per section 148 is not applicable on the Company

32. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF)

33. INTERNAL FINANCIAL CONTROL

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

34. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) shall state that—

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis; and

(e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

35. DECLARATION BY INDEPENDENT DIRECTOR UNDER SECTION 149 (6)

The Company has received necessary declaration from each Independent Directors of the Company as per Section 149(4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 during the FY 2020-21 and declaration have been obtained at the beginning of F.Y. 2020-21

36. ACKNOWLEDGEMENT

The Directors acknowledge the dedicated service rendered by all employees and support rendered by the employees of holding Company and customers. The directors specially thank the auditors, bankers and all

stakeholders for their contribution to the growth of the company. The Directors also pay their homage to the patrons behind this initiative who have sought eternal abode.

For and on behalf of Board
Manappuram Insurance Brokers Limited

Sd/-
Jyothi Prasannan
Director
(DIN:- 00044371)

Sd/-
V.P. Nandakumar
Director
(DIN:- 00044512)

Place : Valapad
Date : 31st July 2021

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

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

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

SL. No.	Particulars	Details
	Name (s) of the related party & nature of relationship	NA
	Nature of contracts/arrangements/transaction	NA
	Duration of the contracts/arrangements/transaction	NA
	Salient terms of the contracts or arrangements or transaction including the value, if any	NA
	Justification for entering into such contracts or arrangements or transactions'	NA
	Date of approval by the Board	NA
	Amount paid as advances, if any	NA
	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NA

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

SL. No.	Particulars	Details		
1.	Name (s) of the related party & nature of relationship	Manappuram Finance Limited	Manappuram Finance Limited	Manappuram Comptech And Consultants Limited
2.	Nature of contracts/arrangements/transaction	Rent and Reimbursement of Expense	Availing of Service	Availing of service

3.	Duration of the contracts/arrangements/transaction	10 years	Annual	Annual
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	Taxation consultancy fees and rent paid for branches	Payment for using 1. Learning and development portal 2. Server space of MAFIL	IT support and Consultation Fee
5.	Date of approval by the Board			
6.	Amount paid as advances, if any			

Place : Valapad
Date : 31st July 2021

Sd/-

V.P. Nandakumar
Chairman
DIN : 00044512

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2018

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

I. REGISTRATION & OTHER DETAILS:

CIN	U66010KL2002PLC015699
Registration Date	17/10/2002
Name of the Company	MANAPPURAM INSURANCE BROKERS LIMITED
Category/Sub-category of the Company	Company limited by Shares Non-Govt company
Address of the Registered office & contact details	2 nd Floor, Manappuram House (Old Building) Valapad Thrissur Thrissur KL 680567 IN Ph:- +91-7594810201
Whether listed company	Unlisted
Name, Address & contact details of the Registrar & Transfer Agent, if any.	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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Insurance brokerage and agency services	66210	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. NO	NAME AND ADDRESS OF COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Manappuram Finance Limited	L65910KL1992PLC006623	HOLDING COMPANY	100%	2(87) (ii)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	Dem at	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.	NIL	1570000	1570000	100%	1569999	1570000	1570000	100%	NIL
e) Banks / FI									
f) Any other									
Total shareholding of Promoter (A)	NIL	1570000	1570000	100%	1569999	1570000	1570000	100%	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									

h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-									
2. Non-Institutions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - D R									

Sub-total (B)(2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	NIL	1570000	1570000	100%	1569999	1570000	1570000	100%	NIL

B) Shareholding of Promoter-

S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during 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	Manappuram Finance Limited	1570000	100%	NIL	1570000	100%	NIL	-

C) Change in Promoters' Shareholding - There is no change in the shareholding of promoters during the year 2019-20

SN	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
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /				

	decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	At the end of the year				

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	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

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	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	V.P. Nandakumar (On behalf of Manappuram Finance Limited)				
	At the beginning of the year	1 share	0%	1 share	0%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	0 shares	0%	1 share	0%
	At the end of the year	1 share	0%	1 share	0%
2	Jyothi Prasannan (On behalf of Manappuram Finance Limited)				
	At the beginning of the year	1 share	0%	1 share	0%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.	0 shares	0%	1 share	0%

	allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	1 share	0%	1 share	0%
3	B.N. Raveendra Babu(On behalf of Manappuram Finance Limited)				
	At the beginning of the year	1 share	0%	1 share	0%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0 shares	0%	1 share	0%
	At the End of the year	1 share	0%	1 share	0%
4	Adv. V.R. Ramachandran				
	At the beginning of the year	0 shares	0%	0 shares	0%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0 shares	0%	0 shares	0%
	At the End of the year	0 shares	0%	0 shares	0%
5	M.N. Gunavardhanan				
	At the beginning of the year	0 shares	0%	0 shares	0%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0 shares	0%	0 shares	0%
	At the End of the year	0 shares	0%	0 shares	0%
6	Subrahmanyam K				
	At the beginning of the year	0 shares	0%	0 shares	0%
	Date wise Increase / Decrease in Share holding during the year	0 shares	0%	0 shares	0%

	specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	0 shares	0%	0 shares	0%
7	K.M. Rajesh				
	At the beginning of the year	0 shares	0%	0 shares	0%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0 shares	0%	0 shares	0%
	At the End of the year	0 shares	0%	0 shares	0%
8	Shanto Paul				
	At the beginning of the year	0 shares	0%	0 shares	0%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0 shares	0%	0 shares	0%
	At the End of the year	0 shares	0%	0 shares	0%
9	Anjurose Paulson				
	At the beginning of the year	0 shares	0%	0 shares	0%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0 shares	0%	0 shares	0%
	At the End of the year	0 shares	0%	0 shares	0%

F) INDEBTEDNESS -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	NIL	NIL	NIL	NIL
Principal Amount				
Interest due but not paid				
Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year	NIL	NIL	NIL	NIL
Addition				
Reduction				
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year	NIL	NIL	NIL	NIL
Principal Amount				
Interest due but not paid				
Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL- NIL

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		NIL	NIL	NIL	NIL	
1	Gross salary					
	(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					
3	Sweat Equity					
4	Commission - as % of profit - others, specify...					
5	Others, please specify					
	Total (A)					
	Ceiling as per the Act					

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	M.N. Gunavardhanan	P.K. Vijayakumar	Adv. Ramachandran	Subrahmanyam K	
	Fee for attending board committee meetings	0.44 millions	0.16 million	0.48 million	0.28 million	
	Commission	0.1 million	0.1 million	NIL	0.1 million	
	Others, please specify					
	Total (1)	0.54 million	0.26 million	0.48 million	0.38 million	
2	Other Non-Executive Directors	B.N. Raveendra Babu	Jyothi Prasannan	V.P. Nandakumar		
	Fee for attending board committee meetings	0.40 million	0.28 million	NIL		
	Commission	NIL	0.1 million	NIL		
	Others, please specify					
	Total (2)	0.40 million	0.38 million	NIL		
	Total (B)=(1+2)					
	Total Managerial Remuneration	NIL	NIL	NIL		
	Overall Ceiling as per the Act	NA	NA	NA		

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	Mr. K. M. Rajesh	Anjurose Paulson	Shanto Paul	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.935 millions	1.88 million	1.10 millions	4.92 millions
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL

2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL	NIL
	others, specify... Performance Bonus	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	Total	1.935 millions	1.88 million	1.10 millions	4.92 millions

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

ANNEXURE

1. Brief outline on CSR Policy of the Company.

In 2009, the Manappuram Foundation came into being as a charitable trust to implement the CSR vision of Manappuram Finance Limited under the inspirational Leadership of its Chief Patron and Managing Trustee Mr. V.P Nandakumar. In the past eleven years of its existence, the Manappuram Foundation has initiated many worthwhile projects—in healthcare, education, skill training, empowerment of women, care for the elderly, grants to meaningful projects etc.—that have enriched the lives of some of the poorest in society. It has been successful in making a visible difference to the local community. The Manappuram Foundation (MAFOUND), directly and in association with various non-profit institutions support poor farmers engaged in organic farming, senior day-care centers, orphanages, and families in dire circumstances. Through ‘Vision Valapad’ program, MAFOUND is planning for various projects for the overall development of Valapad Panchayath. Also MAFOUND is doing various programs for supporting needy people who affected severely due to COVID-19. The net profit of our company (MAIBRO) in the F.Y. 2019-20 was Rs. 96.2 million and hence as per the provisions of Companies Act on exceeding profit of Rs. 50 million the compliance of Corporate Social Responsibility was applicable. In this regard CSR fund was allocated to Manappuram Foundation amounting to Rs. 1.014 million.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Adv. Ramachandran	Chairman - Independent Director	2	2
3.	Mrs. Jyothi Prasannan	Member- Non-Executive Director	2	2
4.	Mr. Subrahmanyam	Member-Independent, Non-Executive Director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Web-link of Composition of CSR committee
<https://maibro.in/Report/3.%20Guidelines%20on%20Corporate%20Governance-2017.pdf>

web-link of CSR Policy
<https://maibro.in/Report/1. CSR Policy.pdf>

web-link of CSR projects approved by the Board
[2022 to 2021.pdf \(maibro.in\)](https://maibro.in/Report/2022%20to%202021.pdf)

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

NA

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be setoff for the financial year, if any (in Rs)
1	2018-19	-	-
2	2019-20	-	-
3	2020-21	-	-
TOTAL		-	-

6. Average net profit of the company as per section 135(5) – Rs. 5.071 lakhs

-

7. (a) Two percent of average net profit of the company as per section 135(5)- Rs1.014 million

-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

- Nil

- Nil

(d) Total CSR obligation for the financial year (7a+7b-7c)

- Rs. 1.014 million

8. (a) CSR amount spend or unspent for the financial year

Total Amount spent for the Financial Year (in Rs.)	Amount Unspent (in RS)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.

1.014 millions	NIL	NIL	NIL	NIL	NIL
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(Amount in Rupees million)

(b) Details of CSR amount spent against **ongoing projects** for the financial year: NA

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes / No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation-Direct (Yes/No).	Mode of implementation – Through Implementing Agency	
				State.	District.			Name.	CSR Registration number.
	NIL								

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year: NA

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes / No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation-Direct (Yes/No).	Mode of implementation – Through Implementing Agency	
				State.	District.			Name.	CSR Registration number.
	NIL								

- (d) Amount spent in Administrative Overheads - Rs. 0.007208 million
- (e) Amount spent on Impact Assessment, if applicable - NA
- (f) Total amount spent for the Financial Year(b+c+d+e)
- (g) Excess amount for set off, if any NIL

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2017-18	-	-	-	-	-	-
2.	2018-19	-	-	-	-	-	-
3.	2019-20	-	1.014 millions	-	-	-	-
	TOTAL	-	1.014 millions	-	-	-	-

Sl. No.	Particular	Amount (in Rs)
(i)	Two percent of average net profit of the company as per section 135(5)	1.014 millions
(ii)	Total amount spent for the Financial Year	1.014 millions
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9 (a) Details of Unspent CSR amount for the preceding three financial years:

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project Completed / Ongoing.
1.	-	-	-	-	-	-	-	-

2.	-	-	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-	-

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

Sl No	Date of creation or acquisition of the capital asset(s).	Amount of CSR spent for creation or acquisition of capital asset	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)

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

Sd//
Chairman CSR Committee

INDEPENDENT AUDITOR'S REPORT

To The Members of Manappuram Insurance Brokers Limited Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Manappuram Insurance Brokers Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report including the Annexures to Directors' Report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

- d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,
- In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order" or "CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Jayesh Parmar
(Partner)

Membership No. 106388
UDIN: 21106388AAAABQ1136

Place: Mumbai
Date: April 29, 2021

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT MANAPPURAM INSURANCE BROKERS LIMITED

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of MANAPPURAM INSURANCE BROKERS LIMITED ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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, to the best of our information and according to the explanations given to us 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, 2021, based on the criteria for internal financial control over financial reporting 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 Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No.117366W/W -100018)



Jayesh Parmar
(Partner)
Membership No. 106388
UDIN: 21106388AAAABQ1136

Place: Mumbai
Date: April 29, 2021

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ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF MANAPPURAM INSURANCE BROKERS LIMITED

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (b) The Property, Plant and Equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause 3(i)(c) of the Companies (Auditor's Report) Order, 2016 ("CARO 2016") is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the CARO 2016 is not applicable.
- (iii) 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 Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause 3(iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits pursuant to Sections 73 to 76 or any other relevant provisions of the Act and hence reporting under clause 3(v) of the CARO 2016 is not applicable to the Company.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause 3(vi) of CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Service Tax, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

- (c) Details of dues of Income-tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs.)	Amount Unpaid (Rs.)
Income tax Act, 1961	Income-tax	Commissioner of Income-tax (Appeals)	2012-13	229,010	194,658

The Company has deposited Rs. 34,352/- with Income Tax Authority under protest.

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3(viii) of CARO 2016 is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of CARO Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

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- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)



Jayesh Parmar
Partner
Membership No. 106388
UDIN: 21106388AAAAABQ1136

Place: Mumbai
Date: April 29, 2021

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Manapouram Insurance Brokers Limited
Balance Sheet as at March 31, 2021

(₹ in thousands)

Particulars		Note No.	As at March 31, 2021	As at March 31, 2020
A ASSETS				
1	Non-current assets			
	(a) Property, Plant and Equipment (Net)	4	1,554.29	2,273.88
	(b) Right of Use Assets	29	9,588.78	11,488.96
	(c) Other Intangible assets (Net)	5	2,552.11	2,396.50
	(d) Intangible assets under development		400.00	875.00
	(e) Other financial asset	6	1,965.27	1,850.08
	(f) Deferred tax assets (Net)	7	2,379.04	2,464.19
	(g) Other non-current assets	8	3,027.78	2,974.96
	Total Non - Current Assets		21,867.27	24,323.57
2	Current assets			
	(a) Financial Assets			
	(i) Trade receivables	9	5,551.86	15,576.30
	(ii) Cash and bank balances	10	13,441.27	4,845.56
	(iii) Bank balances other than (ii) above	10	35,175.54	49,419.31
	(iv) Other financial assets	6	1,973.82	4,338.10
	(b) Other current assets	8	917.35	526.34
	Total Current Assets		57,059.84	74,705.61
	Total Assets		78,927.11	99,029.18
B EQUITY AND LIABILITIES				
1	Equity			
	(a) Equity Share capital	11	15,700.00	15,700.00
	(b) Other Equity	12	34,041.02	54,987.75
	Total Equity		49,741.02	70,687.75
	Liabilities			
2	Non-current liabilities			
	(a) Financial Liabilities			
	Lease Liabilities	13	10,734.75	11,747.19
	Provisions	14	3,386.56	4,993.59
	(b) Provisions	17	710.65	528.28
	(c) Other non-current liabilities			
	Total Non - Current Liabilities		14,831.96	17,269.06
3	Current liabilities			
	(a) Financial Liabilities			
	Lease Liabilities	13	1,012.44	804.06
	Trade payables			
	- Total outstanding dues of Micro, Small and Medium Enterprises	16		
	- Total outstanding dues of creditor's other than Micro, Small and Medium Enterprises	16	6,540.04	5,514.80
	(b) Provisions	14	286.69	283.78
	(c) Current tax liabilities (Net)	15	3,996.42	4,469.73
	(d) Other current liabilities	17	2,518.55	
	Total Current Liabilities		14,354.14	11,072.37
	Total Equity and Liabilities		78,927.11	99,029.18


See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No: 117366W/W-100018


Jayesh Parmar
Partner
Membership No: 106388


For and on behalf of the Board of Directors


V.P. Nandakumar
(Chairman)
DIN: 00044512


Jyothi Prasanna
(Director)
DIN: 00044372


K.M. Rajesh
(CFO & Principal Officer)


Shant Paul
(Chief Financial Officer)


Anjose Paulson
(Company Secretary)

Valapad,
Date: April 29, 2021

Mumbai,
Date: April 29, 2021



Manappuram Insurance Brokers Limited
Statement of Profit and Loss for the year ended March 31, 2021

(₹ in thousands)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
I Revenue from operations	18	92,498.41	144,025.59
II Other Income	19	6,505.62	6,215.49
III Total Revenue (I + II)		99,004.03	150,241.08
IV Employee benefit expense	20	41,666.39	34,442.92
V Finance costs	21	1,485.35	1,514.32
VI Depreciation and amortisation expense	4,5 & 29	3,146.80	3,507.10
VII Other expenses	22	13,502.28	14,487.34
VIII Total Expenses (IV+V+VI+VII)		59,800.82	53,951.68
IX Profit before tax (III - VIII)		39,203.21	96,289.40
Tax Expense			
(1) Current tax	31	10,147.66	23,829.00
(2) Deferred tax	7 & 31	23.46	(834.37)
X Total tax expense		10,171.12	22,994.63
XI Profit for the year (IX - X)		29,032.09	73,294.78
XII Other comprehensive income			
A (i) Items that will not be recycled to profit or loss		244.99	(817.66)
Income tax relating to items that will not be reclassified to profit or loss		(61.66)	218.98
(ii) loss		-	-
B (i) Items that may be reclassified to profit or loss		-	-
(ii) Income tax on items that may be reclassified to profit or loss		-	-
XIII Total comprehensive income for the year		29,215.42	72,696.09
XIV Earnings per equity share:			
(1) Basic	30	18.49	46.68
(2) Diluted	30	18.49	46.68

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018



Jayesh Parmar
Partner
Membership No. : 106388



VR Mumbai,
Date: April 29, 2021



For and on behalf of the Board of Directors



V.P. Nandakumar
(Chairman)
DIN : 00044512


K.M. Rajesh
(CEO & Principal Officer)


Anjurose Paulson
(Company Secretary)

Valapad,
Date: April 29, 2021



Jyothi Prasanna
(Director)
DIN : 00044371


Shanto Paul
(Chief Financial Officer)

Manappuram Insurance Brokers Limited
Statement of Cash Flows as on March 31, 2021

(₹ in thousands)

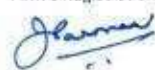
PARTICULARS	For the year ended March 31, 2021	For the year ended March 31, 2020
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts towards brokerage (I)	102,522.85	154,128.09
Cash paid to suppliers and employees (II)	(55,601.10)	(62,792.04)
Cash generated from operations (I - II)	46,921.75	91,336.05
Income taxes paid (net of refund)	(2,585.98)	(22,021.38)
Cash flow before extraordinary item	44,334.77	69,314.67
Extraordinary item	-	-
Net cash flow from operating activities (A)	44,334.77	69,314.67
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment including Capital advances	(1,285.31)	(2,223.75)
Payments towards intangible assets under development	(400.00)	(875.00)
Bank balances not considered as cash and cash equivalents		
- Placed	(38,553.54)	(6,895.24)
- Matured	52,797.32	-
Interest Received	4,188.18	4,123.49
Net cash flow from / (used in) investing activities (B)	16,746.65	(5,870.50)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Interim Dividend paid	(50,240.00)	(50,240.00)
Dividend Distribution Tax paid	-	(10,328.70)
Payment towards Lease Liabilities	(2,245.70)	(2,233.38)
Net cash used in financing activities (C)	(52,485.70)	(62,802.08)
Net increase in cash and cash equivalents (A)+(B)+(C)	8,595.72	642.09
Cash and cash equivalents at the beginning of the year	4,845.56	4,203.47
Cash and cash equivalents at the end of the year	13,441.28	4,845.56
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents	48,616.81	54,264.87
Less: Bank balances not considered as Cash and cash equivalents as defined in Ind AS 7 Cash Flow Statements:		
(i) In other deposit accounts		
- original maturity more than 3 months	35,175.53	49,419.31
Net Cash and cash equivalents (as defined in Ind AS 7 Cash Flow Statements)	13,441.28	4,845.56

Note:

The above cash flow statement has been prepared as prescribed by the Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018 (amended upto 30.10.2019) under the "Direct Method" as laid out in Indian Accounting Standard (Ind AS) - 7 on Statements of Cash flows as specified under the Companies Act, 2013.

See accompanying notes forming part of the financial statements.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018



Jayesh Parmar
Partner
Membership No. 106388



For and on behalf of the Board of Directors



V.P. Nandakumar
(Chairman)
DIN : 00044512



K.M. Rajesh
(CEO & Principal Officer)



Anurose Paulson
(Company Secretary)



Jyothi Prasannan
(Director)
DIN : 00044371



Shanto Paul
(Chief Financial Officer)

Valapad,
Date: April 29, 2021

Mumbai,
Date: April 29, 2021



Manappuram Insurance Brokers Limited
Statement of changes in Equity for the year ended March 31, 2021

Equity Share Capital for the year ended March 31, 2021

A. Equity share capital

Particulars	(₹ in thousands)	
	Amount	
Balance at April 1, 2019	15,700.00	
Changes in equity share capital during the year	-	
Balance at March 31, 2020	15,700.00	
Changes in equity share capital during the year	-	
Balance at March 31, 2021	15,700.00	

B. Other Equity

Particulars	Reserves and Surplus			Total
	Share Option Outstanding	General reserve	Retained earnings	
Balance at April 1, 2019	12,252.54	600.00	37,087.90	49,940.44
Profit for the year after income tax	-	-	73,294.77	73,294.77
Other comprehensive income for the year, net of income tax	-	-	(598.69)	(598.69)
Employee stock option expense (ESOP)	(6,832.63)	-	-	(6,832.63)
Adjustment for Lease Liability, net of taxes (Refer Note 29)	-	-	(247.44)	(247.44)
Interim Dividend (Refer Note 12)	-	-	(50,240.00)	(50,240.00)
Dividend Distribution Tax	-	-	(10,328.70)	(10,328.70)
Balance at March 31, 2020	5,419.91	600.00	48,967.84	54,987.75
Profit for the year after income tax	-	-	29,032.09	29,032.09
Other comprehensive income for the year, net of income tax	-	-	183.33	183.33
Employee stock option expense (ESOP)	(2,815.37)	-	2,893.22	77.85
Interim Dividend (Refer Note 12)	-	-	(50,240.00)	(50,240.00)
Balance at March 31, 2021	2,604.54	600.00	30,836.48	34,041.02

See accompanying notes forming part of the financial statements


In terms of our report attached
For Deloitte Haskins & Sells LLP
 Chartered Accountants
 Firm's Registration No. 117366W/W-100018


Jayesh Parmar
 Partner
 Membership No. : 106388



Mumbai,
 Date: April 29, 2021

For and on behalf of the Board of Directors


V.P. Nandakumar
 (Chairman)
 DIN : 00044512


K M Rajesh
 (CEO & Principal Officer)


Anjrose Paulson
 (Company Secretary)

Valapad,
 Date: April 29, 2021


Jyothi Prasannan
 (Director)
 DIN : 00044371


Shanto Paul
 (Chief Financial Officer)



Accounting Policies

Note No. 1: Corporate Information

Manappuram Insurance Brokers Limited (the "Company") was incorporated on October 17, 2002 vide certificate of incorporation U66010KL2002PTC015699 issued by the Registrar of Companies, Kerala. The Company is an Insurance Regulatory and Development Authority of India ("IRDAI") registered Broker in the category "Direct" for Life and General Insurance Business. The Company has renewed its IRDAI Licence for a period of 3 years from November 2, 2018 to November 1, 2021.

Note No. 2: Basis of preparation and presentation

a. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS Rules").

b. Basis of measurement

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c. Functional and presentation currency

The financial statements are presented in Indian Rupees which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Note No. 3: Significant accounting policies

3.1. Use of estimates, judgments and assumptions

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

3.2. Recognition of Income

(i) The Company earns brokerage from Insurance Companies on insurance policies placement and revenue thereof is recognised from the risk start date when the policy placement is substantially completed and accepted thereby satisfying the performance obligation and the ultimate collection thereof is reasonably certain. Income is stated net of Goods and Service Tax ("GST").

(ii) Interest income is accounted on accrual basis.

3.3. Property, Plant and equipment (PPE)

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes but excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use.



Subsequent to initial recognition, PPE are stated at cost less accumulated depreciation and any impairment losses. When significant parts of property, plant and equipment are required to be replaced in regular intervals, the Company recognises such parts as separate component of assets. When an item of PPE is replaced, then its carrying amount is de-recognised from the balance sheet and cost of the new item of PPE is recognised. The expenditures that are incurred after the item of PPE has been put to use, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where the said expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Company, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciable amount for asset is the cost of an asset or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 and retaining 5% of original cost as residual value.

The estimated useful lives are, as follows:

Particulars	Useful Life of Assets
Furniture and Fixtures	10
Plant and Equipment	3
Office Equipment	5

Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other operating income in the Statement of Profit and Loss in the year in which the asset is derecognised.

The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

3.4. Intangible assets

Intangible assets comprising of computer softwares are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss. Intangible assets are amortized over the period of five years. The intangible asset is amortised on a straight line from the date they are available for use over the useful life of the asset.

An intangible asset is derecognised on disposal, or when no future economic benefit are expected from use or disposal.

3.5. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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



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3.6. Leases

The Lease asset primarily consist of leases for office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (1) the contract involves the use of an identified asset
- (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset generates cash flows that are largely dependent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment on exercise of an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

3.7. Retirement and other employee benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences.

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

Gratuity

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The Company has a funded scheme with LIC. The gratuity liability is calculated using the Projected Unit Credit Method which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation, is based on the market yields on Government securities as at the Balance Sheet date, having maturity periods approximating to the terms of related obligations.

The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences such as paid annual leave and sickness leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized in the Statement of Profit and Loss during the year.



Compensated absence

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

3.8. Borrowing cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

3.9. Taxes

Income tax expense comprises of current and deferred income tax. Current / Deferred tax is recognized in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognized directly in equity or in other comprehensive income in which case the related income tax is also recognised accordingly. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority. The Company only off-sets its deferred tax assets against liabilities when there is both a legal right to offset and it is the Company's intention to settle on a net basis.

i) Current Taxes

Current tax is the amount of income taxes payable/ receivable in respect of taxable profit/ loss for a period. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws. Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. Interest income / expenses and penalties, if any, related to income tax are included in current tax expense. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the end of reporting date in India where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

ii) Deferred Taxes

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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

Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 taxes relate to the same taxable entity and the same taxation authority.

Current and deferred taxes are recognised as income tax benefits or expenses in the Statement of profit and loss except for tax related to the fair value re-measurement of financial assets classified through other comprehensive income which are charged or credited to Other Comprehensive Income (OCI). These exceptions are subsequently reclassified from OCI to the statement of profit and loss together with the respective deferred loss or gain. The Company also recognises the tax consequences of payments and issuing costs, related to financial instruments that are classified as equity, directly in equity.

3.10. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares if any.



3.11. Provisions and other Contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The increase in the provision due to unwinding of discount over passage of time is recognised within finance costs. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement in other operating expenses.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

3.12. Cash and cash equivalent

Cash and cash equivalents in the balance sheet comprise cash on hand and balances with other banks in current accounts. Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.13. Cash flow statement

Cash flows are reported using the direct method. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.14. Non Derivative Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Financial assets measured at amortised cost

Financial assets are subsequently measured at amortised cost if both the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets measured at fair value through other comprehensive income

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income ('FVTOCI'). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains or losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised as gains/ (losses) within other income or other expense. Interest income from these financial assets is included in other income using the effective interest rate method.

Financial Instrument measured at fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in profit or loss and presented net in the Statement of Profit and Loss as gains/(losses) within other income or other expense in the period in which it arises. Interest income from these financial assets is included in other income.

De-recognition of financial assets

A financial asset is derecognised only when the Company had transferred the rights to receive cash flows from the financial assets or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Financial liabilities

The Company's financial liabilities comprise borrowings, trade payables and other liabilities. These are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method. Changes to the carrying amount of a financial liability as a result of renegotiation or modification of terms that do not result in derecognition of the financial liability, is recognised in the Statement of Profit and Loss.

The Company derecognises financial liabilities when, and only when, its obligations are discharged, cancelled or they expire.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments recognised by the Company are measured at the proceeds received net off direct issue cost.

Offsetting of financial instruments

Financial assets and financial liabilities are off set and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.



Manappuram Insurance Brokers Limited
Notes to the financial statements for the year ended March 31, 2021

Note No. 4: Property, Plant and Equipment

Particulars	(₹ in thousands)	
	As at March 31, 2021	As at March 31, 2020
Carrying Amounts of :		
Plant and Equipment	1,266.38	1,898.08
Office Equipment	136.41	199.23
Furniture and Fixtures	151.50	176.57
TOTAL	1,554.29	2,273.88

Description of Assets	(₹ in thousands)			
	Plant and Equipment	Office Equipment	Furniture and Fixtures	Total
I. Gross Block				
Balance as at April 1, 2020	3,758.82	313.09	234.59	4,306.50
Additions	105.31	-	-	105.31
Disposals/discarded assets	(1,551.17)	-	(7.31)	(1,558.48)
Balance as at March 31, 2021	2,312.96	313.09	227.28	2,853.33
II. Accumulated depreciation and impairment for the year 2020-2021				
Balance as at April 1, 2020	1,860.74	113.86	58.02	2,032.62
Depreciation expense for the year	663.91	62.82	20.67	747.40
Disposals/discarded assets	(1,478.07)	-	(2.91)	(1,480.98)
Balance as at March 31, 2021	1,046.58	176.68	75.78	1,299.04
Net block (I-II)				
Balance as on March 31, 2021	1,266.38	136.41	151.50	1,554.29

Description of Assets	(₹ in thousands)			
	Plant and Equipment	Office Equipment	Furniture and Fixtures	Total
I. Gross Block				
Balance as at April 1, 2019	3,677.82	313.09	234.59	4,225.50
Additions	81.00	-	-	81.00
Disposals	-	-	-	-
Balance as at March 31, 2020	3,758.82	313.09	234.59	4,306.50
II. Accumulated depreciation and impairment for the year 2019-2020				
Balance as at April 1, 2019	1,171.17	50.87	36.71	1,258.75
Depreciation expense for the year	689.57	62.99	21.31	773.86
Eliminated on disposal of assets	-	-	-	-
Balance as at March 31, 2020	1,860.74	113.86	58.02	2,032.62
Net block (I-II)				
Balance as on March 31, 2020	1,898.08	199.23	176.57	2,273.88

Note:

Depreciation on Property, Plant and Equipment has been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Refer Note 3.3 for Accounting Policy of Property, Plant and Equipment.



Manappuram Insurance Brokers Limited
Notes to the financial statements for the year ended March 31, 2021

Note No. 5: Intangible Assets

(₹ in thousands)		
Particulars	As at March 31, 2021	As at March 31, 2020
Carrying Amounts of:		
Computer Software	2,552.11	2,396.50
TOTAL	2,552.11	2,396.50

(₹ In thousands)		
Description of Assets	Computer Software	Total
I. Intangible Assets		
Balance as at April 1, 2020	4,855.95	4,855.95
Additions during the year	1,103.73	1,103.73
Disposals / discarded assets	(977.93)	(977.93)
Balance as at March 31, 2021	4,981.75	4,981.75
II. Accumulated depreciation and impairment for the year 2020-2021		
Balance as at April 1, 2020	2,459.45	2,459.45
Amortisation expense for the year	899.22	899.22
Disposals / discarded assets	(929.03)	(929.03)
Balance as at March 31, 2021	2,429.64	2,429.64
Net block (I-II)		
Balance as on March 31, 2021	2,552.11	2,552.11

(₹ in thousands)		
Description of Assets	Computer Software	Total
I. Intangible Assets		
Balance as at April 1, 2019	2,550.95	2,550.95
Additions during the year	2,305.00	2,305.00
Disposals	-	-
Balance as at March 31, 2020	4,855.95	4,855.95
II. Accumulated depreciation and impairment for the year 2019-2020		
Balance as at April 1, 2019	1,169.85	1,169.85
Amortisation expense for the year	1,289.60	1,289.60
Eliminated on disposal of assets	-	-
Balance as at March 31, 2020	2,459.45	2,459.45
Net block (I-II)		
Balance as on March 31, 2020	2,396.50	2,396.50

Note:

Amortisation on intangible asset has been provided on the straight line method over the useful life of asset (5 years). Refer Note 3.4 for Accounting Policy of Intangible assets.



Manappuram Insurance Brokers Limited
Notes to the financial statements for the year ended March 31, 2021

Note No. 6: Other Financial Assets

(₹ in thousands)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial assets classified at amortised cost		
Non-Current Asset		
Security Deposits (Refer Note 28 and Refer note below)		
- Unsecured, considered good	1,965.27	1,850.09
TOTAL	1,965.27	1,850.09
Current Assets:		
(a) Security Deposits (Refer Note 28 and Refer note below)		
- Unsecured, considered good	407.51	729.45
- Doubtful	100.00	100.00
Less : Allowance for bad and doubtful deposits	(100.00)	(100.00)
Total (a)	407.51	729.45
(b) Receivable for Sale of Property, Plant and Equipment		
- Doubtful	68.78	68.78
Less : Allowance for bad and doubtful receivables	(68.78)	(68.78)
Total (b)	-	-
(c) Interest accrued on Deposits		
Total (c)	1,560.41	2,098.14
(d) Other Receivables		
Total (d)	5.90	1,510.51
TOTAL (a+b+c+d)	1,973.82	4,338.10

Notes:

1. For the financial assets that are measured at amortised cost, the fair values are not materially different from their carrying amounts, since they are either of short term nature or interest receivable is close to current market rates.
2. Of the above Security Deposits, Deposits Payable to Staff amounts to Rs. 1,118.16 thousand (Previous year: Rs. 1,257.22 thousand) (Refer Note 17).

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Manappuram Insurance Brokers Limited
Notes to the financial statements for the year ended March 31, 2021

Note No: 7 Deferred Tax balances

(₹ in thousands)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax Assets	2,379.04	2,464.19
Deferred tax Assets(Net)	2,379.04	2,464.19

(A) Movement of Deferred Tax

(₹ in thousands)

Particulars	For the Year ended March 31, 2021			
	Opening Balance	Recognised in profit and loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax asset/ (liability)				
Property, Plant and Equipment	334.18	(122.05)	-	212.13
Employee Benefits	1,635.61	30.20	(61.66)	1,604.15
Provision for doubtful debts	349.31	(106.85)	-	242.46
Impact of Adjustment as per Ind AS 116	176.90	175.21	-	352.11
Impact of Change in Income Tax Rate	(125.66)	-	-	(125.66)
Opening Impact of Adjustment as per Ind AS 116	93.85	-	-	93.85
Net Tax Asset (Liabilities)	2,464.19	23.46	(61.66)	2,379.04

(₹ in thousands)

Particulars	For the Year ended March 31, 2020			
	Opening Balance	Recognised in profit and loss	Recognised in OCI	Closing Balance
Tax effect of items constituting deferred tax asset/ (liability)				
Property, Plant and Equipment	564.18	(230.00)	-	334.18
Employee Benefits	363.01	1,053.62	218.98	1,635.61
Provision for doubtful debts	389.80	(40.49)	-	349.31
Impact of Adjustment as per Ind AS 116	-	176.90	-	176.90
Impact of Change in Income Tax Rate	-	(125.66)	-	(125.66)
Opening Impact of Adjustment as per Ind AS 116	93.85	-	-	93.85
Net Tax Asset (Liabilities)	1,410.84	834.37	218.98	2,464.19



Manappuram Insurance Brokers Limited
Notes to the financial statements for the year ended March 31, 2021

Note No. 8: Other Assets

(₹ in thousands)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-Current Asset		
(a) Others assets		
(i) Deposit with Income Tax Authority under protest (Refer Note 24)	34.35	34.35
(ii) Income taxes [Net of Provisions: Rs. 37,392.64 thousand (Previous Year: Rs. 41,210.98 thousand)]	2,975.43	2,940.60
Doubtful	794.51	794.51
Less: Allowance for bad and doubtful TDS Receivables	(794.51)	(794.51)
(iii) Receivable from Staff	18.00	-
TOTAL	3,027.78	2,974.96
Current Asset		
(a) Prepaid Expenses	917.35	526.34
TOTAL	917.35	526.34

Note No. 9: Trade receivables

(₹ in thousands)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables		
(a) Unsecured, considered good	5,551.86	15,576.30
(b) Doubtful	-	424.52
Less: Allowance for Expected Credit Losses	-	(424.52)
TOTAL	5,551.86	15,576.30

Notes:

- 1: Provision is made for all the trade receivables outstanding for more than 90 days.
- 2: Movement in the allowance for Expected Credit losses

(₹ in thousands)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at beginning of the year	424.52	407.67
On receivables originated during the year	-	542.99
Amounts recovered during the year	(424.52)	(526.14)
Balance at end of the year	0.00	424.52



Manappuram Insurance Brokers Limited
Notes to the financial statements for the year ended March 31, 2021

Note No. 10: Cash and cash equivalents

Particulars	(₹ in thousands)	
	As at March 31, 2021	As at March 31, 2020
(i) Cash and cash equivalents		
Cash in hand	1.97	2.47
In current accounts	2,625.97	4,843.09
Term deposits (original maturity < 3 months)	10,813.33	-
	13,441.27	4,845.56
(ii) Other bank balances		
Term deposits	33,058.37	47,424.06
Deposit marked as lien with Insurance Regulatory and Development Authority of India (IRDAI)	2,117.17	1,995.25
	35,175.54	49,419.31
Cash and cash equivalent as per balance sheet	48,616.81	54,264.88
Cash and cash equivalents as per statement of cash flows	13,441.27	4,845.56

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Manappuram Insurance Brokers Limited
Notes to the financial statements for the year ended March 31, 2021

Note No. 11: Equity Share Capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of shares	Amount in Rs.	No. of shares	Amount in Rs.
Authorised: Equity shares of Rs 10 each	3,000,000	30,000.00	3,000,000	30,000.00
Issued, Subscribed and Fully Paid: Equity shares of Rs 10 each	1,570,000	15,700.00	1,570,000	15,700.00
TOTAL	1,570,000	15,700.00	1,570,000	15,700.00

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

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	1,570,000	1,570,000
Fresh Issue	-	-
Closing Balance	1,570,000	1,570,000

(ii) Rights, preferences and restrictions attaching to equity shares :

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

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

Particulars	Number of Shares	
	As at March 31, 2021	As at March 31, 2020
Manappuram Finance Limited*	1,570,000	1,570,000

* 6 equity shares (Previous year: 6 equity shares) are held by directors of the Company beneficiary being Manappuram Finance Limited.

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

Class of shares / Name of shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Manappuram Finance Limited*	1,570,000	100	1,570,000	100

* 6 equity shares (Previous year: 6 equity shares) are held by directors of the Company beneficiary being Manappuram Finance Limited.



Manappuram Insurance Brokers Limited
Notes to the financial statements for the year ended March 31, 2021

Note No. 12: Other equity

Particulars	₹ in thousands)	
	As at March 31, 2021	As at March 31, 2020
General reserve	600.00	600.00
Retained earnings	30,836.48	48,967.84
Employee Stock Option Reserve (ESOP Reserve)	2,604.54	5,419.91
TOTAL	34,041.02	54,987.75

(i) General reserve

Particulars	₹ in thousands)	
	As at March 31, 2021	As at March 31, 2020
Opening balance	600.00	600.00
Balance as at the end of the year	600.00	600.00

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. There is no policy of regular transfer. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to the Statement of Profit and Loss.

(ii) Retained Earnings

Particulars	₹ in thousands)	
	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	48,967.84	37,087.90
Add: Transfer from Surplus in Statement of Profit and Loss	29,032.09	73,294.77
Add: ESOP lapsed during the year*	2,893.22	-
Add/ (Less): Other Comprehensive Income for the year, net of income tax	183.33	(598.69)
Less: Adjustments for lease liability (Refer Note 29)	-	(247.44)
Less: Interim Dividend (Refer Note below)	(50,240.00)	(50,240.00)
Less: Dividend Distribution Tax	-	(10,328.70)
Balance as at the end of the year	30,836.48	48,967.84

Note: The Company has declared the interim dividend in the Board Meeting conducted on 31st October, 2020 of 320% at the rate of Rs. 32/- per Equity share of Rs. 10/- each amounting to Rs. 50,240 thousand during the financial year.

* ESOP lapsed pertains to employees who have not exercised their right to stock options and consequently the stock options have been lapsed on the expiry of vesting date.

(iii) Employee Stock Option Reserve (ESOP Reserve)

Particulars	₹ in thousands)	
	As at March 31, 2021	As at March 31, 2020
Opening balance	5,419.92	12,252.54
Add: Charge/(Reversal) for the year	(2,815.38)	(6,832.63)
Balance as at the end of the year	2,604.54	5,419.92



Manappuram Insurance Brokers Limited
Notes to the financial statements for the year ended March 31, 2021

Note No. 13: Lease Liabilities

Particulars	(₹ in thousands)	
	As at March 31, 2021	As at March 31, 2020
Non-Current Liabilities		
Lease Liability (Refer Note 29)	10,734.75	11,747.19
	10,734.75	11,747.19
Current Liabilities		
Lease Liability (Refer Note 29)	1,012.44	804.06
Total Lease Liabilities	1,012.44	804.06

Note No 14 : Provisions

Particulars	(₹ in thousands)	
	As at March 31, 2021	As at March 31, 2020
Non-Current		
Provision for employee benefits		
Compensated absences	886.98	875.32
Gratuity (Refer Note 26)	2,499.58	4,118.27
TOTAL (A)	3,386.56	4,993.59
Current		
Provision for employee benefits		
Compensated absences	286.69	283.78
TOTAL (B)	286.69	283.78
TOTAL (A+B)	3,673.25	5,277.37

Note:

The provision for employee benefits includes gratuity and compensated absences. The increase/decrease in the carrying amount of the provision for the current year is mainly on account of net impact of incremental charge for current year and benefits paid in the current year. For other disclosures, Refer Note No. 26.



Manappuram Insurance Brokers Limited
Notes to the financial statements for the year ended March 31, 2021

Note No 15 : Current Tax Liabilities

Particulars	₹ in thousands	
	As at March 31, 2021	As at March 31, 2020
Current Tax Liabilities (Net)		
Provision for taxation [Net of Advance tax: Rs.1,780.35 thousand (P.Y. Rs. Nil)]	3,996.42	-
TOTAL	3,996.42	-

Note No 16: Trade Payables

Particulars	₹ in thousands	
	As at March 31, 2021	As at March 31, 2020
Trade payable		
(i) total outstanding dues of micro enterprises and small enterprises (Refer Note 23)		
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	6,540.04	5,514.80
TOTAL	6,540.04	5,514.80

Note No 17: Other Liabilities

Particulars	₹ in thousands	
	As at March 31, 2021	As at March 31, 2020
Non-Current Liabilities		
Deposit Payable to Staff (Refer Note 6)	710.65	528.28
	710.65	528.28
Current Liabilities		
Deposit Payable to Staff (Refer Note 6)	407.51	729.45
Payable for Capital Expenditure	85.98	162.25
Statutory dues		
- Taxes payable (other than income taxes) and other statutory dues	2,025.06	3,578.03
	2,518.55	4,469.73
TOTAL	3,229.20	4,998.00

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Manappuram Insurance Brokers Limited
Notes to the financial statements for the year ended March 31, 2021

Note No 18: Revenue from Operations

Particulars	(₹ in thousands)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Commission Income (includes Rewards and Recognition)	92,498.41	144,025.59
TOTAL	92,498.41	144,025.59

Note No 19: Other Income

Particulars	(Rs. in thousands)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest on income tax refund	343.04	188.67
Interest income on financial assets at amortised cost- Fixed Deposits	3,650.46	5,931.45
Liabilities no longer required written back	-	95.37
Notice pay recovery	2,463.97	-
Other Income	48.15	-
TOTAL	6,505.62	6,215.49

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Manappuram Insurance Brokers Limited
Notes to the financial statements for the year ended March 31, 2021

Note No 20: Employee Benefits Expense

Particulars	(₹ in thousands)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages	37,965.71	38,176.38
Contribution to provident and other funds	2,148.03	1,670.61
Gratuity (Refer Note 26)	1,474.80	1,428.56
Employee Stock Option Expense (Refer Note below)	77.85	(6,832.63)
TOTAL	41,666.39	34,442.92

Note:

The Company has provided a charge of Rs. 77.85 thousand during the current year (Previous Year charge reversed: Rs. 6,832.63 thousand) for Employee Stock Option Scheme of the group wherein certain employees of the Company are granted the options by Manappuram Finance Limited, the Holding Company, under Employee Benefit expense for the year ended March 31, 2021. The cost has been determined basis the communication from the Holding Company.

Note No 21: Finance Cost

Particulars	(₹ in thousands)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Bank charges	3.13	3.55
Finance cost - Lease Liability (Refer Note 29)	1,482.22	1,510.77
TOTAL	1,485.35	1,514.32

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Manappuram Insurance Brokers Limited
Notes to the financial statements for the year ended March 31, 2021

Note No. 22: Other Expenses

Particulars	(₹ in thousands)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Repairs and maintenance		
Rates and taxes	15.91	545.28
Directors Commission	241.05	237.07
Communication Expenses	600.00	400.00
Business Promotion	756.93	769.45
Allowance for Expected Credit Loss	96.60	
Licensing Fees		16.86
Sitting Fees Directors	15.00	15.00
Training Expenses	2,040.00	2,080.00
Payments to auditors (Refer note below)	544.83	1,133.33
Legal and other professional costs	1,343.25	1,541.30
Travelling Expenses	1,452.62	1,360.08
IT Support Costs	260.07	671.63
Other Support Services	2,550.41	2,921.37
Certification charges	611.86	1,075.47
Internal Audit Fees		13.40
Insurance Premium Paid	587.07	762.50
Annual Maintenance Charges	171.16	351.51
Corporate social responsibility expenditure (Refer note below)	545.15	98.21
Loss on assets discarded	1,014.37	
Write off of intangible assets under development	126.40	
Write off of other receivables	187.50	425.00
Miscellaneous Expenses	67.20	41.20
TOTAL	13,502.28	14,487.34

Note:

22.1 Payments to the auditors comprise (net of GST input credit, where applicable):

Particulars	(₹ in thousands)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
To statutory auditors:		
For audit		
For taxation matters	574.75	574.75
For other services		90.75
For certification charges	484.00	484.00
Reimbursement of expenses	250.00	250.00
	34.50	141.80
TOTAL	1,343.25	1,541.30

22.2 Expenditure incurred on corporate social responsibility activities

Particulars	(₹ in thousands)	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Gross amount required to be spent by the company during the year	1,014.37	
Amount spent during the year on:		
(i) Construction/acquisition of any asset		
(ii) On purposes other than (i) above	1,014.37	



Manappuram Insurance Brokers Limited
Notes to Financial Statements for the year ended March 31, 2021

Note No. 23

There are no micro and small enterprises to whom the Company owes dues which are outstanding as at the balance sheet date. The disclosure regarding micro and small enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the statutory auditors.

Note No. 24 : Contingent liabilities and commitments

Contingent liabilities

Particulars	(₹ in thousands)	
	As at March 31, 2021	As at March 31, 2020
Income tax demand for AY 2012 - 13	229.01	229.01
Total	229.01	229.01

The Company has pending litigation arising out of matter relating to Income-tax and the Company has preferred an appeal against the same.

Commitments

Particulars	(₹ in thousands)	
	As at March 31, 2021	As at March 31, 2020
Commitments for the acquisition of Intangible assets	400.00	-
Total	400.00	-

Note No. 25 : Foreign currency transactions

During the year ended March 31, 2021, the Company does not have any earnings (Previous Year: Nil) or expenditure (Previous Year: Nil) in foreign currency. As at the balance sheet date there are no foreign currency outstanding (Previous Year: Nil) that are hedged by any derivative instruments or otherwise.

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Note No. 26 : Employee benefits

Employee benefits include provident fund, gratuity fund and compensated absences.

(a) Defined Contribution Plan

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Company has recognized Rs. 1,935.14 thousand (Previous Year: Rs. 1,470.54 thousand) for Provident Fund contributions and Rs.100.04 thousand (Previous Year: Rs. 102.23 thousand) for Employee State Insurance Scheme contributions, included as a part of contribution to provident fund and other funds in Note 20 Employee Benefit Expenses.

(b) Defined Benefit Plans:

Gratuity:

The Company operates a gratuity plan covering qualifying employees. The plan provides for lump sum payment to vested employees at retirement, death, disability or on termination of the employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. The benefit vests upon completion of five years of continuous service except in case of death and disability and once vested it is payable to employees on retirement or on termination of employment. In case of death or disability, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India.

Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create plan deficit.

Interest risk:

A decrease in the bond interest rate will increase the plan liability; however, this will be partially off set by an increase in the plan's assets.

Longevity risk:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk:

The Present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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Note No. 26 : Employee benefits (continued)

The significant actuarial assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at	
	March 31, 2021	March 31, 2020
Discount rate	5.50%	5.80%
Salary increase rate	8.00%	8.00%
Expected Return on Plan Assets	5.80%	6.90%
Withdrawal (rate of employee turnover)	20.00%	20.00%

Amount recognised in Statement of Profit and Loss in respect of these defined benefit plans are as follows:

Particulars	Funded Plan	
	Gratuity	
	Year ended March 31, 2021	Year ended March 31, 2020
Service Cost:		
Current Service Cost	1,380.95	1,197.69
Past Service Cost	-	-
Net interest expense	93.85	230.87
Expense recognised in Statement of Profit and Loss	1,474.80	1,428.56
Remeasurement on the net defined benefit liability and Plan Assets:		
Return on plan assets (excluding amount included in net interest expense)	-	(73.99)
Actuarial gains and loss arising from changes in financial assumptions	(191.42)	(502.35)
Actuarial gains and loss arising from experience adjustments	436.41	(293.66)
Movement in Other Comprehensive Income	244.99	(869.99)
TOTAL	1,719.79	558.57

The current service cost and the net interest expenses for the year are included in the Employee benefits expense line item in the Statement of Profit and Loss. The remeasurement of the net defined benefit liability/asset is included in Other Comprehensive Income.

Particulars	As at	
	March 31, 2021	March 31, 2020
Present value of funded defined benefit obligations	13,104.95	9,737.38
Fair value of plan assets	10,605.37	5,619.10
Net liability arising from defined benefit obligation	2,499.58	4,118.28



Manappuram Insurance Brokers Limited
Notes to Financial Statements for the year ended March 31, 2021

Note No. 26 : Employee benefits (continued)

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

Particulars	(₹ in thousands)	
	As at March 31, 2021	As at March 31, 2020
Opening defined benefit obligation	9,737.38	3,020.59
- Current service cost	1,380.95	1,197.69
- Past service cost	-	-
- Interest cost	564.77	506.07
<i>Remeasurement gains / (losses):</i>		
- Actuarial Gain (Loss) arising from:		
i. Financial Assumptions	191.42	502.35
ii. Experience Adjustments	(436.41)	293.66
Benefit payments	(2,708.31)	(96.80)
Transfer In/(Out)*	4,375.15	4,313.82
Closing defined benefit obligation	13,104.95	9,737.38

Movements in the fair value of the plan assets are as follows:

Particulars	(Rs. in thousands)	
	As at March 31, 2021	As at March 31, 2020
Opening fair value of the plan assets	5,619.10	2,380.02
Interest income	470.92	275.20
<i>Remeasurement gains / (losses):</i>		
- Actuarial (Loss)/Gain from changes in financial assumptions	-	-
- Return on plan assets (excluding amounts included in net interest expense)	-	(73.99)
Contributions from the employer	299.70	1,382.65
Benefit payments	(2,708.31)	(96.80)
Transfer In/(Out)*	6,923.96	1,752.02
Closing fair value of plan assets	10,605.37	5,619.10

*The difference between present value of obligation and Fair Value of Plan assets with respect to employees transferred from Manappuram Finance Limited, the Holding Company, has been shown as "Other Receivables" (Net) in Note No. 6.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented may not representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using "Projected Unit Credit" method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in Balance Sheet.

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

Description of ALM Policy

The Company deploys its investment assets in a smoothed return cash accumulation plan with an insurance company. Investment returns of the plan are not greatly sensitive to the changes in interest rates. The liabilities' duration is not matched by the assets' duration



Manappuram Insurance Brokers Limited
Notes to Financial Statements for the year ended March 31, 2021

Note No. 26 : Employee benefits (continued)

Description of funding arrangements and funding policy that affect future contributions

The liabilities of the Company are funded by assets. The Company generally aims to maintain a fullfunding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle so that the funding gap would continue to be low. As on March 31, 2021, the Company's expected contribution for next year will be Rs 4,000 thousand.

The sensitivity analysis of significant actuarial assumption as at the end of reporting period is shown below:

Particulars	(Rs. in thousands)	
	As at March 31, 2021	As at March 31, 2020
Salary Growth Rate		
Increases 1%	DBO increases by 655.89	DBO increases by 489.38
Decreases 1%	DBO decreases by 609.75	DBO decreases by 455.37
Discount Rate		
Increases 1%	DBO decreases by 618.03	DBO decreases by 460.30
Decreases 1%	DBO increases by 678.71	DBO increases by 504.90
Withdrawal Rate		
Increases 1%	DBO decreases by 78.64	DBO decreases by 62.59
Decreases 1%	DBO increases by 85.40	DBO increases by 67.13
Mortality (increase in expected lifetime by 1 year)	DBO increases by 1.02	DBO increases by 0.67
Mortality (increase in expected lifetime by 3 years)	DBO increases by 3.04	DBO increases by 2.02

Plan Assets

The plan assets are managed by is entrusted with the Life Insurance Corporations of India ("LIC"). The fair value of the plan assets at the end of the reporting period for each category, are as follow:

	(₹ in thousands)	
	As at March 31, 2021	As at March 31, 2020
Others - LIC managed fund*	10,605.37	5,619.10

*The details of investment made by the Insurer is not readily available with the Company.

Maturity profile

The weighted average expected remaining lifetime of the plan members is 4 years (Previous Year: 4 years) as at the date of valuation. This represents the weighted average of the expected remaining lifetime of all plan participants.

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Manappuram Insurance Brokers Limited
Notes to Financial Statements for the year ended March 31, 2021

Note No. 27 : Segment Reporting

The Company is in the business of Insurance Broking in India, which in the context of Ind AS 108 'Operating Segments' constitutes a single reportable business segment.

Note No. 28: Related Party Disclosures

Relationship	Name of the party
(i) Holding Company	Manappuram Finance Limited
(ii) Key Management Personnel (KMP)	Mr. V.P. Nandakumar (Chairman) Mr. K. M. Rajesh (Principal Officer) Mr. B. N. Raveendra Babu (Non-Executive Director) Mr. M. N. Gunavardhan (Non-Executive Director) Mr. V. R. Ramachandran (Non-Executive Director) Mr. P. K. Vijayakumar (Non-Executive Director) Mr. Kollimarla Subrahmanyam (Non-Executive Director) Ms. Jyothy Prasannan (Non-Executive Director)
(iii) Relatives of KMP	Mrs. Sumitha Jayasankar Mrs. Sushma Nandkumar Ms. Shelly Eklavyan
(iv) Entities in which KMP / Relatives of KMP can exercise significant influence	Manappuram Chits (India) Limited Manappuram Comptech and Consultants Limited Maben Nidhi Limited Manappuram Asset Finance Limited Manappuram Jewellers Limited Manappuram Health Care Limited Manappuram Constructions and Properties Private Limited Manappuram Chits India Manappuram Chits Fund Company Private Limited Manappuram Chits Fund Company (Karnataka) Private Limited Manappuram Agro Farm Limited Manappuram Foundation (Charitable Trust) Manappuram Travels



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Note No. 28: Related Party Disclosures (continued)

Related Party transactions during the year:

(₹ in thousands)

Nature of Transaction	Relationship	March 31, 2021	March 31, 2020
Income/Expenses:			
(i) Fees for technical and consultancy services			
Manappuram Comptech and Consultants Limited	Entities in which KMP / relatives of KMP can exercise significant influence	300.00	460.00
(ii) Legal and Professional charges			
Manappuram Comptech and Consultants Limited	Entities in which KMP / relatives of KMP can exercise significant influence	900.00	900.00
(iii) Rent expenses			
Manappuram Finance Limited	Holding Company	2,245.70	2,233.38
(iv) Electricity and maintenance charges			
Manappuram Finance Limited	Holding Company	428.26	477.71
(v) Managerial Remuneration			
Mr. K M Rajesh	Key Managerial Personnel	1,935.61	1,773.55
Mr. Sai Kamalakar	Key Managerial Personnel	-	1,340.14
(vi) Repairs and maintenance			
Manappuram Comptech and Consultants Limited	Entities in which KMP / relatives of KMP can exercise significant influence	315.50	105.00
(vii) ESOP charges			
Mr. K M Rajesh	Key Managerial Personnel	-	1,536.50
(viii) Travelling Expenses			
Manappuram Travels	Entities in which KMP / relatives of KMP can exercise significant influence	-	400.35
(ix) Training Expenses			
Manappuram Finance Limited	Holding Company	-	509.26
(x) Dividend			
Manappuram Finance Limited	Holding Company	50,240.00	50,240.00
(xi) Sitting fees			
Mr. B. N. Raveendra Babu	Key Managerial Personnel	400.00	400.00
Mr. M. N. Gunavardhan	Key Managerial Personnel	440.00	480.00
Mr. V. R. Ramachandran	Key Managerial Personnel	480.00	480.00
Mr. P. K. Vijayakumar	Key Managerial Personnel	160.00	240.00
Mr. Kollimarla Subrahmanyam	Key Managerial Personnel	280.00	240.00
Ms. Jyothy Prasanna	Key Managerial Personnel	280.00	240.00
(xii) Commission paid to Directors			
Mr. M. N. Gunavardhan	Key Managerial Personnel	200.00	100.00
Mr. Kollimarla Subrahmanyam	Key Managerial Personnel	200.00	100.00
Ms. Jyothy Prasanna	Key Managerial Personnel	200.00	100.00
Mr. P. K. Vijayakumar	Key Managerial Personnel	-	100.00
(xiii) CSR contribution			
Manappuram Foundation	Entities in which KMP / relatives of KMP can exercise significant influence	1,014.37	-
Assets/Liabilities:			
Intangible Assets Purchased			
Manappuram Comptech and Consultants Limited	Entities in which KMP / relatives of KMP can exercise significant influence	275.00	2,480.00



Note No. 28: Related Party Disclosures (continued)

Balances outstanding at the end of the year:

		(₹ in thousands)	
Particulars	Relationship	March 31, 2021	March 31, 2020
Security deposits			
Manappuram Finance Limited	Holding Company	1,034.62	1,034.62
Manappuram Comptech and Consultants Limited	Entities in which KMP / relatives of KMP can exercise significant influence	100.00	100.00
Other Current Assets			
Manappuram Finance Limited*	Holding Company	-	2,561.80
Trade payables			
Manappuram Finance Limited*	Holding Company	-	1,051.29
Manappuram Comptech and Consultants Limited	Entities in which KMP / relatives of KMP can exercise significant influence	-	438.65
Mr. K M Rajesh	Key Managerial Personnel	-	56.02
Mr. M. N. Gunavardhan	Key Managerial Personnel	200.00	100.00
Mr. P. K. Vijayakumar	Key Managerial Personnel	-	100.00
Mr. Kolimarla Subrahmanyam	Key Managerial Personnel	200.00	100.00
Ms. Jyothy Prasanna	Key Managerial Personnel	200.00	100.00
TOTAL		1,734.62	5,642.39

*This amount has been netted off in the Balance Sheet. Please refer Note No. 6.

Notes:

1. During the year, there were no amounts written off and written back from the related parties.
2. Excludes the accrual of gratuity and compensated leaves as it is accrued for the Company as a whole.
3. During the year under review, all the transactions of the Company with related parties were in the ordinary course of business and at an arm's length.

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Note No. 29: Lease arrangements

Transition

Effective April 1, 2019, the Company has adopted IND AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Parent Company's incremental borrowing rate at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our financial statements for year ended March 31, 2020.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs. 6,749.08 thousand and a lease liability of Rs. 7,090.35 thousand. The cumulative effect of applying the standard, amounting to Rs. 247.44 thousand was debited to retained earnings, net of taxes. The effect of this adoption is significant on the operating profit, net profit for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments.

The following is the summary of practical expedients elected on initial application:

1. Applied the practical expedient to make the assessment of which transactions are leases. Accordingly for all contracts as on April 1, 2019, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
2. Since the Company did not have any borrowings, the discount rate is taken as a lending rate for Parent Company. The rate used is 19.25%.

Critical accounting judgements and key sources of estimation uncertainty

Critical judgements required in the application of Ind AS 116 may include, among others, the following:

- Identifying whether a contract (or part of a contract) includes a lease;
- Determining whether it is reasonably certain that an extension or termination option will be exercised;
- Determination of whether variable payments are in-substance fixed;
- Establishing whether there are multiple leases in an arrangement;

Key sources of estimation uncertainty in the application of Ind AS 116 may include, among others, the following:

- Estimation of the lease term;
- Determination of the appropriate rate to discount the lease payments;
- Assessment of whether a right-of-use asset is impaired.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021:

Particulars	₹ in thousands)	
	As at March 31, 2021	As at March 31, 2020
Balance as at beginning of year	11,488.96	6,749.08
Additions	-	6,183.50
Deletions	-	-
Depreciation	1,500.18	1,443.62
Balance as at year end	9,988.78	11,488.96

Amounts recognised in profit and loss

Particulars	₹ in thousands)	
	As at March 31, 2021	As at March 31, 2020
Depreciation expense on right-of-use assets	1,500.18	1,443.62
Interest expense on lease liabilities	1,482.22	1,510.77

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Note No. 29 : Lease arrangements (continued)

The following is the break-up of current and non-current lease liabilities as at March 31, 2021

(₹ in thousands)

Particulars	As at March 31, 2021	As at March 31, 2020
Current Lease Liabilities	1,012.44	804.06
Non-Current Lease Liabilities	10,734.75	11,747.19
Total	11,747.19	12,551.25

The following is the movement in lease liabilities during the year ended March 31, 2021:

(₹ in thousands)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance as at beginning of the year	12,551.25	7,090.35
Additions	-	6,183.51
Deletions	-	-
Finance Cost accrued during the period	1,482.22	1,510.77
Payment of Lease Liabilities	2,286.28	2,233.38
Balance as at year end	11,747.19	12,551.25

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

(₹ in thousands)

Particulars	Amount	Amount
Less than one year	1,012.44	804.06
One to Five years	5,631.51	5,047.56
More than Five years	5,103.24	6,699.62
Total	11,747.19	12,551.25

Impact on Financial Statements

In the previous year on transition to IND AS 116, the Company recognised Rs 6,749.08 thousand of write off use asset, and Rs 7,090.35 thousand of Lease Liabilities, recognising the difference in retained earnings.

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate of Parent Company. The rate applied is 13.25 %.

A reconciliation of the lease commitments at March 31, 2019, disclosed in the Company's previous year's financial statements, to the lease liabilities recognized in the statement of financial position at April 1, 2019 is provided below:

(₹ in thousands)

Operating lease commitments disclosed as at 31 March 2019	12,551.25
Discounting using the incremental borrowing rate at 1 April 2019	(5,460.90)
(Less): low-value leases recognized on a straight-line basis as expense	-
Add/(less): adjustments as a result of a different treatment of extension and termination options	-
Add/(less): adjustments relating to changes in the index or rate-affecting variable payments	-
Add/(less): residual value guarantees	-
Lease liabilities recognized as at 1 April 2019	7,090.35

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.



Note No. 30 : Earnings per share

(₹ in thousands)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net profit for calculation of basic and diluted Earnings Per Share	29,032.09	73,294.78
Weighted average number of equity shares in calculating basic and diluted Earnings Per Share (Nos.)	1,570,000	1,570,000
Basic Earnings Per Share (Rs.)	18.49	46.68
Diluted Earnings Per Share (Rs.)	18.49	46.68

Note No. 31 : Current Tax and Deferred Tax

(₹ in thousands)

		For the year ended March 31, 2021	For the year ended March 31, 2020
31A	Tax expense recognised in the Statement of Profit and Loss		
	Current tax		
	In respect of current year	10,147.66	23,829.00
	Total current tax	10,147.66	23,829.00
	Deferred tax		
	In respect of current year	23.46	(834.37)
	Total deferred income tax (credit) / expense	23.46	(834.37)
	Sub- Total (A)	10,171.12	22,994.63
31B	Income tax recognised in other comprehensive income		
	Deferred Tax		
	Re-measurement of defined benefit obligation	(61.66)	218.98
	Sub- Total (B)	(61.66)	218.98
	TOTAL	10,109.46	23,213.61

The income tax expense for the year can be reconciled to the accounting profit as follows:

(Rs. in thousands)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit before tax	39,203.21	96,289.40
Income tax expenses calculated at 25.17%	9,867.45	24,236.04
Differences due to:		
Expenses not deductible for tax purposes	242.01	(896.78)
Effect of prior period deferred tax adjustments	-	(125.66)
TOTAL	10,109.46	23,213.61



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Manappuram Insurance Brokers Limited
Notes to Financial Statements for the year ended March 31, 2021
Note No. 32 : Risk management

32A Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the returns to stakeholders. The Company has no borrowings during the year. Also, the company maintains the capital as required under Regulation 19 of IRDAI (Insurance Brokers) Regulations, 2018 (amended upto 30.10.2019). As per the regulation the company needs to maintain minimum paid up capital of Rupees Seventy-Five lakh. Further, the Company has to maintain its minimum net worth as per the requirement of Regulation 22 of IRDAI (Insurance Brokers) Regulations, 2018 (amended upto 30.10.2019) at Rupees Fifty lakh.

(Rs. in thousands)

Particulars	Amount
Share capital	15,700.00
Reserves and Surplus	34,041.02
Total Net Worth	49,741.02
Minimum net worth requirement	5,000.00

32B Financial instruments

The significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income & expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are as disclosed in Note No. 3 to financial statements.

(₹. in thousands)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial Assets		
Measured at amortised cost		
Cash and cash equivalents	13,441.27	4,845.56
Trade receivable	5,551.86	15,576.30
Security Deposits	2,372.78	2,579.54
Fixed Deposit with Banks	35,175.54	49,419.31
Others	3,939.09	6,188.19
Financial Liabilities		
Measured at amortised cost		
Trade payable	6,540.04	5,514.80
Employee Benefits payable	3,673.25	5,277.37

The management considers that the carrying amount of financials assets and financial liabilities recognised in the financial statement approximate their fair values.



Manappuram Insurance Brokers Limited
Notes to Financial Statements for the year ended March 31, 2021

Note No. 33

Please refer Annexure A, Annexure B and Annexure C for the disclosures required as per the Regulations 34 (6) of the Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018 (amended upto 30.10.2019).

Note No. 34 : New Accounting Standards, Amendments to Existing Standards, Annual Improvements and Interpretations Effective Subsequent to March 31, 2020, applicable to the Company.

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Note No. 35 : Ceiling of business from Single Client

As per Regulation 35 of Insurance Regulatory and Development Authority of India (Insurance Brokers) Regulations, 2018 (amended upto 30.10.2019), "The business of the insurance broker shall be carried in such a manner that, not more than 50 percent of the remuneration shall emanate from any one client in a financial year." During the previous year ended March 2020, the Company has earned total revenue of Rs. 144,025.58 thousand out of which 58% of the business emanated from single customer leading to non-compliance with the aforesaid Regulation.

Note No. 36 : Additional Disclosure

The coronavirus ("COVID-19") pandemic has resulted, and is likely to continue to result, in significant economic disruption and has adversely impacted the business of the entity. All the operations were shut down amid lockdown nationwide from March 23, 2020.

For preparation of financial statements, the company has used certain assumptions and estimates which to the belief of the company will not be impacted by COVID-19.

The management has, at the time of approving the financial statements, assessed the potential impact of the COVID-19 on the Company. Barring any future COVID-19 related escalations, based on the current assessment, the management is of the view that the operations of the Company especially revenue growth may be impacted. The carrying value of its assets and liabilities is not likely to be materially impacted.



Going Concern

The extent of the impact of the coronavirus ("COVID 19") outbreak on the financial performance of the Company will depend on future developments, including the duration and spread of the outbreak and related advisories and restrictions, and the impact of COVID-19 on the overall economy, all of which are highly uncertain and cannot be predicted. If the overall economy is impacted for an extended period, the Company's future operating results may be materially adversely affected.

The Company has considered the impact of COVID-19 and has made future projections along with projected cash flows on the basis of current scenario for evaluation the going concern assumption and believe that the assumptions is appropriate.


Note No. 37 : Code on Wages, 2019 and Code on Social Security, 2020

The Code on Wages, 2019 and Code on Social Security, 2020 ('Code') relating to employee compensation and post employment benefits, received presidential assent on September 28, 2020. The Code has been published in the Gazette of India. However the date on which the Code will come into effect has not been notified and the rules for quantifying the financial impact are yet to be framed. In view of this, the Company will assess and record the financial impact of the Code when it comes into effect.

For and on behalf of the Board of Directors


V.P. Nandakumar
(Chairman)
DIN : 00044512


K.M. Rajesh
(CEO & Principal Officer)


Anjurose Paulson
(Company Secretary)


Jyothi Prasannan
(Director)
DIN : 00044371

Shanto Paul
(Chief Financial Officer)

Valapad,
Date: April 29, 2021



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Annexure - A

Insurance Company wise Brokerage/ Remuneration and Reward Income booked during April 01, 2020 to March 31, 2021

(Amount in Rs.)

Sr. No.	Name of the Insurer	For the year ended March 31, 2021	For the year ended March 31, 2020
1	Aditya Birla Health Insurance Company Limited	162,355	1,406
2	Bajaj Allianz General Insurance Company Limited	283,256	-
3	Bajaj Life Insurance Company Limited	6,541	267,532
4	Bharti Axa General Insurance Company Limited	50,719	533,101
5	Bharti Axa Life Insurance Company Limited	11,955	19,819
6	Birla Sun Life Insurance Company Limited	1,096,430	2,416,807
7	Care Health Insurance Company Ltd	49,544	740,059
8	Cholamandalam MS General Insurance Company Limited	17,808	341
9	Cigna TTK General Insurance Company Limited	1,965,260	2,251,623
10	Edelweiss Tokio Life Insurance Company Limited	22,279	-
11	Exide Life Insurance Company Limited	15,723,451	17,156,992
12	Go Digit Insurance Company Ltd	30,945	-
13	HDFC Ergo General Insurance Company Limited	1,393,155	238,136
14	HDFC Standard Life Insurance Company Limited	16,616,491	10,956
15	ICICI Lombard General Insurance Company Limited	409,993	11,930,643
16	ICICI Prudential Life Insurance Company Limited	17,814,354	443,011
17	Iffco Tokio General Insurance Company Limited	208,902	66,520,523
18	Kotak Life Insurance Company Limited	219,757	151,153
19	Liberty Videocon Insurance Company Limited	6,536,278	288,792
20	Life Insurance Corporation of India Limited	178,697	13,962,733
21	Magma HDI General Insurance Company Limited	808,524	188,055
22	Max Life Insurance Company Limited	248,413	513,238
23	National Insurance Company Limited	544,459	1,361,599
24	New India Assurance Company Limited	2,620,561	129,280
25	Oriental Insurance Company Limited	91,663	19,753
26	Pramarica Life Insurance Company Limited	89,678	1,679,566
27	Reliance General Insurance Company Limited	1,528,784	1,680,696
28	Reliance Life Insurance Company Limited	471,236	158,642
29	Royal Sundaram General Insurance Company Limited	-	575,332
30	Shriram General Insurance Company Limited	854,718	25,720
31	Shriram Life Insurance Company Limited	19,999,433	-
32	Star Health Insurance Company Limited	846,023	1,152,648
33	Tata AIA Life Insurance	387,954	-
34	United India Insurance Company Limited	1,208,788	19,607,431
	TOTAL	92,498,404	144,025,587



Annexure - B

During the year there were no payments received from Insurers Group Companies

Note:

The group companies of insurers considered for the Annexure are based on the confirmations circulated by the Company and the declarations received from them. As per the records of the Company, Rs. NIL (P.Y. 2019-20 Rs. NIL) has been received from any group Companies of insurers. This has been relied upon by the auditors.

Annexure - C

Details of payments received by the group companies/ associates/ related parties of the insurance broker from insurers

(Amount in Rs.)

Sr. No.	Name of the Group company/ associate/ related party	Nature of Payment	Name of the insurer from which the payment has received	For the year ended March 31, 2021	For the year ended March 31, 2020
1	Manappuram Agro Farms Limited	Claim	United India Insurance Company Limited	NIL	168,000
		Claim	The New India Assurance Company Limited	276,000	92,000
2	Manappuram Asset Finance Limited	Claim	The New India Assurance Company Limited	NIL	NIL
3	Manappuram Foundation	Claim	United India Insurance Company Limited	NIL	NIL
		Claim	The New India Assurance Company Limited	NIL	NIL
4	Manappuram Health Care Limited	Reimbursement of Health care expenses	Reliance General Insurance Company Limited	NIL	NIL
5	Manappuram Constructions and Properties Private Limited	Medical Reimbursement	United India Insurance Company Limited	NIL	NIL
6	Manappuram Travels	Claim	Liberty General Insurance Limited	NIL	NIL
7	Manappuram Jewellers Limited	Claim	Oriental Insurance Company Limited	NIL	NIL
		Claim	United India Insurance Company Limited	NIL	NIL
8	Asiyad Micro Finance Limited	Claim	Bajaj Allianz Life Insurance Company Limited	2,626,394	60,997,000
		Claim	Bharti AXA General Insurance Company Limited	NIL	NIL
		Claim	Pramerica Life Insurance Co. Ltd.	31,664,033	153,450,000
		Claim	Future Generali Insurance Company Limited	NIL	NIL
		Claim	ICICI Pru Life Insurance Company Limited	713,415,680	195,156,500
		Claim	Kotak Life Insurance Company Limited	NIL	2,000,000
		Claim	Life Insurance Co Ltd	NIL	NIL
		Claim	Star Health Insurance Company Limited	3,027,359	526,736
		Claim	Max Life Insurance Co. Ltd.	NIL	2,400,000
		Claim	HDFC Ergo General Insurance Company Ltd.	NIL	4,000,000
		Claim	HDFC Life Insurance Co. Ltd.	31,679,589	2,280,000
		Claim	ICICI Lombard General Insurance Company Limited	NIL	50,000
		Claim	United India Insurance Company Limited	NIL	NIL
9	Manappuram Finance Limited	Claim	HDFC Ergo General Insurance Company Limited	NIL	NIL
		Claim	United India Insurance Company Limited	NIL	23,296,854
		Claim	Oriental Insurance Company Limited	76,670,646	3,900,389
10	Manappuram Home Finance Limited	Claim	ICICI Lombard General Insurance Company Limited	NIL	NIL
		Claim	Birla Sunlife Insurance Company Limited	NIL	NIL
11	MAFIN Enterprise	Claim	Oriental Insurance Company Limited	15,520	NIL
12	Mr. V.P. Nandakumar	Refund on Property Insurance Refund Amount received on Lapsed Insurance Policy	SBI General Insurance Company Limited Life Insurance Corporation of India	NIL NIL	NIL NIL
13	Mr. Vijayakumar Menon	Annuity Plan	ICICI Prudential Life Insurance Company Limited	NIL	NIL
14	Mr. M.N. Gunavardhanan	Annuity Plan	Life Insurance Corporation of India	NIL	NIL
15	Adv. Ramachandran	Motor accident claim amount	Reliance General Insurance Company Limited	NIL	NIL

Note:

As per Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016, "Group" means: two or more individuals, association of individuals, firms, trusts, trustees or bodies corporate, or any combination thereof, which exercises, or is established to be in a position to exercise, significant influence and / or control, directly or indirectly, over any associate as defined in Indian Accounting Standard (Ind AS), body corporate, firm or trust, or use of common brand names, Associated persons, as may be stipulated by the Authority, from time to time, by issuance of guidelines under these regulations

Explanation: Use of common brand names in conjunction with other parameters of significant influence and / or control, whether direct or indirect shall be reckoned for determination for inclusion as forming part of the group or otherwise.

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