



# Growth Built

On Customers' Confidence  
and Commitment

# Contents

## Corporate Overview

- 02 A closer look at Muthoot Insurance Brokers
- 04 Financial and Operational Highlights
- 05 Overview of the Insurance Broking Industry
- 06 Moments From the Journey so far...
- 07 Chairman's Message
- 08 MD's Message
- 09 CEO's Message
- 10 Board of Directors
- 12 We are Socially Responsible

## Statutory Reports

- 13 Board Report

## Financial Statements

- 26 Standalone Financial Report

### Forward-Looking Statements

This report contains forward-looking statements, which may be identified by their use of words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' or other words of similar meaning. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events. The Company has sourced the industry information from the publicly available resources and has not verified those information independently.

# Corporate Information

## Board of Directors

George Alexander Muthoot	Director
George M George	Director
George Jacob Muthoot	Director
Alexander Muthoot George	Director
George M Alexander	Director
Sunil Koshy Zachariah	Director

## Registered Office

2nd Floor, Muthoot Chambers  
Opposite Saritha Theare Complex  
Banerji Road, Kochi - 682 018  
Kerala, India

## Corporate Office

4th Floor, Midhun Tower - Above Sunrise Supermarket,  
K.P Vallon Road, Kadavanthara, Kochi - 682 020

CIN: U67200KL2002PTC015200

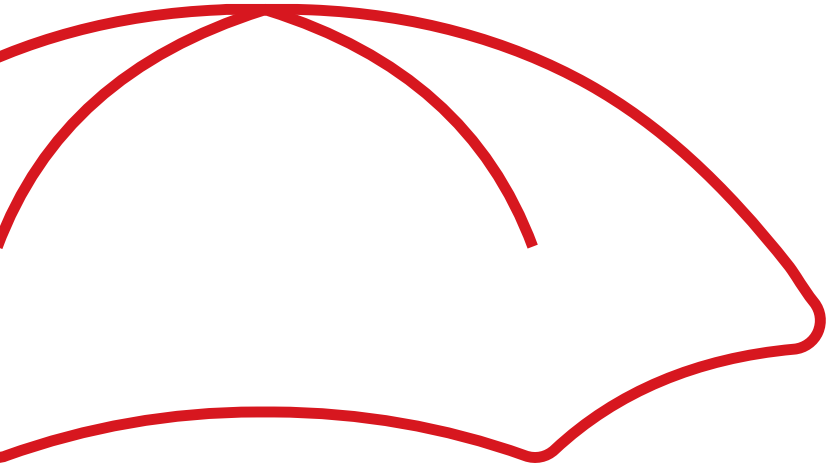
Email: [secdep@muthootgroup.com](mailto:secdep@muthootgroup.com)

## CSR Committee

Sunil Koshy Zackariah	Chariman
George Alexander Muthoot	Member
George M Alexander	Member

## Statutory Auditors

Jolly Vaarghese, B.Sc, F.C.A  
30/1998 C1, Ponnurunni Road,  
Vytila, Kochi - 682 019  
Kerala, India



# Growth Built

on Customers' Confidence  
and Commitment

**Our belief in customer satisfaction and supreme quality of business has led us to design unique products for our customers on the Group platform. This has been well accepted by our customers due to the wide coverage at affordable premiums and has become a trendsetter in the insurance industry.**

We live by the words of wisdom of our Founder Chairman, the Late Shri M. George Muthoot: "Let us not judge ourselves by the profit we make but by the trust and the confidence that people have in us. Let us cherish and nurture that trust and ensure that every person who deals with us deals with the confidence that he will not be misguided but his interests will be carefully protected."

This philosophy of pursuing customer confidence and commitment has been our guiding light in everything we do. It has been the foundation on which our growth is built. From our initial year of operations itself, we have followed a Banca Business model, using the branch network and customer base of our

parent company, as more than 2 lakh customers visit the branches daily. With the trust that they have in the Muthoot Group, this route turned out to be the first catalyst for our growth in the journey forward.

Another factor that has helped us gain customer confidence and loyalty and triggered growth is that we have offered our customers a wide range of products in life, health and other general insurance – with several options in each as per the customer suitability. These products are customised by insurers for Muthoot Insurance Brokers, based on our target customers. Accordingly, the premium is usually low since we primarily cater to the rural and semi-urban population. We design pure Term group products especially for Muthoot finance customers. Most importantly, with a focus on service and customer satisfaction, we provide our clients assistance in claim processing. Further, as our target customers are generally not equipped with information and tools to carry out online transactions, we cater to them exclusively through our branch network; the expansion of our customer network takes place through references from satisfied existing clients and word of mouth.

As an insurance broker it is our mission to contribute to the society, by increasing the industry penetration ratio in respect to the reach of insurance to the people of our nation through the products we offer. We achieve this mission through creating long-lasting bonds of trust with our clients.

# A closer look at Muthoot Insurance Brokers

## One of the flagship companies of the Muthoot Group, we are a direct insurance broker, licensed by the IRDA to conduct life and non-life insurance businesses within India.

A leading insurance intermediary today, we began operations in FY 2002 as a corporate agent and by FY 2013, we became a licensed insurance broker. Currently, we are the insurance broking arm of the Muthoot Group and a wholly-owned subsidiary of Muthoot Finance. We have won many awards for our quality of business and after sales service in the insurance industry.

At present, we have partnered with 9 life insurance companies, 7 general insurance companies and 4 stand-alone health insurance companies to offer our clients a wide range of insurance products through our network of 21 branches across the country. We have also been instrumental in developing new and unique products for our customers, under the Muthoot Finance Group platform.

Maintaining more than 90% persistency in long-term life insurance plans is a testimony and the hallmark of our operational efficiencies. With an exclusive and dedicated workforce of over 150 employees, specialised in managing insurance portfolios in collaboration with a head count of over 30,000 staff at various branches, we provide sales and support service to more than 2 lakh customers who visit our branches daily to avail of our variety of services.

### Our Business Domain



#### Life Insurance

We promote life insurance pan-India, through tie-ups with various insurance partners. Being a wholly-owned subsidiary of Muthoot Finance Limited, our reach and access is widespread.



#### Health Insurance

Health insurance is rapidly growing because of its need and importance in the fast growing world as the cost of hospitalisation, change in life style and habits made health insurance a compulsory one for every individual. We provide health insurance solution to our customers in association with stand-alone health insurance companies. Our well-equipped teams across the network provide our customers with assistance in claim settlements, making the claim disbursements quick and hassle-free for policyholders.



#### General Insurance

We are also into the general insurance business and provides motor insurance, fire insurance, travel insurance and liability insurance etc. Just like any other insurance broker, by introducing products like home insurance and shop insurance, we are stepping strong in General insurance arena.



#### Group Schemes

We have designed unique group schemes as exclusive insurance products in tie-ups with various partners. These products are made available to customers of Muthoot Finance Ltd through its branch network. Low premiums and good claim ratios have resulted in these products becoming a prominent business proposition of the Company.

## Vision

To be renowned as India's number one insurance broker in terms of quality and customer service.

## Mission

- To become a household name in India for insurance broking, through our product and service offerings.
- To contribute to the development of the country, by ensuring the social well-being of our customers.

## Core Values

We remain committed to unchanging values in changing times...

- Ethics
- Reliability
- Dependability
- Trustworthiness
- Integrity
- Goodwill

## Group parentage

The Muthoot Group is a flourishing business empire that has pervaded into big and small towns across the country, with 20 diversified divisions and 4,500 plus branches, global presence, and serving over 2 lakh customers everyday. The Group has served over 48 crore customers (including repeat customers) till date. The story of The Muthoot Group is built on the foundations of passion, commitment, honesty, traditions and values. Its principle of continuous growth and expansion forms the essence of all its activities.

The Group recently celebrated 131 years of unblemished business excellence in lending services to millions of underserved Indians, thereby enabling financial inclusion even in the most remote and rural areas of the country. Since its inception, The Muthoot Group has been transforming the lives of millions of Indians across the country, giving wings to their dreams and creating successful realities. The Group has not only grown exponentially but has also facilitated growth for a sizeable population of the country that falls in the underprivileged category.

## Journey so far

### 2015-16

Launched group policy scheme - Muthoot Home Protector - in general insurance segment.

### 2016-17

CRISIL valuation of Rs. 222.90 crores on 31<sup>st</sup> March, 2018, up from a valuation of Rs. 168.80 crores on 31<sup>st</sup> October, 2017  
Became a wholly-owned subsidiary of Muthoot Finance Limited.

### 2014-15

Turnover crossed Rs. 5 crores.  
Launched group policy scheme - Muthoot Health Care and Muthoot Criti Care - offering cover for ten diseases, including cancer.

### 2013-14

Got licensed as Insurance Broker under IRDA and the corporate name was changed to Muthoot Insurance Brokers (P) Ltd.  
Launched group policy scheme - Muthoot Gold Life - for Muthoot Finance Ltd customers; later renamed as Muthoot Life Guard. Forayed into Health Insurance business. Started as a separate vertical.

### 2001-02

Started operations in the Insurance sector as Emgee Muthoot Insurance Consultancy Services (P) Ltd as a corporate agent of ICICI Prudential Life Insurance.

### 2005-06

Name changed to Muthoot Wealth Management Services (P) Ltd to reflect the services rendered by the Company.

# Financial and Operational Highlights

## Three-year overview - ratios

Particulars	FY 2018	FY 2017	FY 2016
Employee Cost/Revenue (%)	<b>14.53</b>	19.30	22.71
PBT/Revenue (%)	<b>82.18</b>	75.72	73.03
Tax/Revenue (%)	<b>23.81</b>	25.44	22.01
PAT/Revenue (%)	<b>58.03</b>	51.68	50.86
Return on Capital Employed (%)	<b>66.78</b>	62.66	86.32
Earnings Per Share (Rs.)	<b>211.00</b>	120.33	102.25
Receivables Turnover Ratio (times)	<b>6.54</b>	7.29	9.77

## Three-year overview - growth (compared to respective P.Y.)

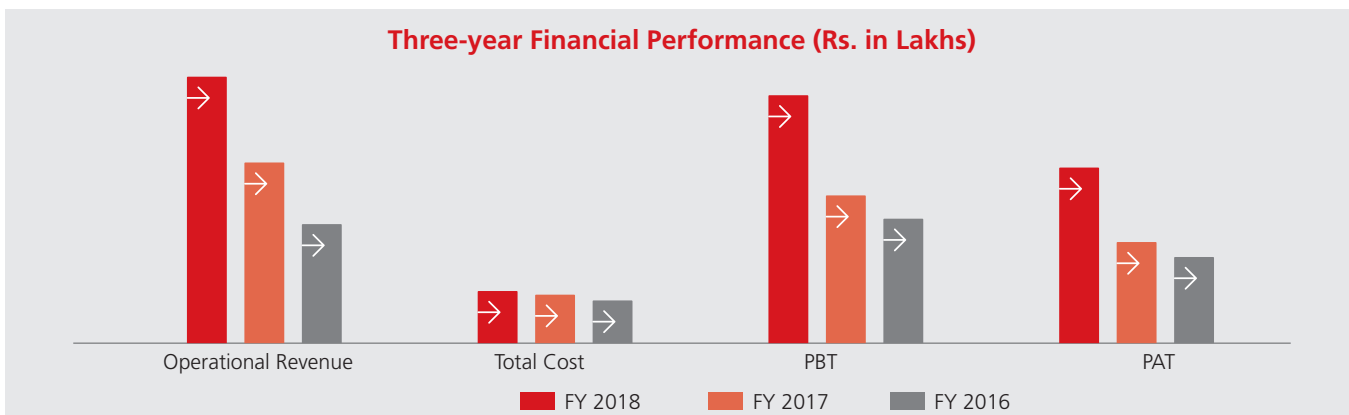
Particulars	FY 2018	FY 2017	FY 2016
Revenue from Operations (%)	<b>47.58</b>	54.19	38.51
Total Revenue (%)	<b>56.00</b>	15.82	84.41
PBT (%)	<b>69.30</b>	20.08	390.64
PAT (%)	<b>75.17</b>	17.69	405.26
EPS (%)	<b>75.83</b>	17.68	405.19

## Premium collection

(Rs. in Lakhs)

Particulars	FY 2018	FY 2017	YoY Growth (%)
<b>Traditional Products</b>	<b>5,940</b>	4,048	46.74
<b>Renewal Premium:</b>			
13th Month	<b>2,965</b>	1,719	72.48
25th Month	<b>1,563</b>	1,071	45.94
37th Month	<b>1,326</b>	384	245.31
<b>Health Products</b>	<b>975</b>	699	39.48
<b>Group</b>	<b>3,153</b>	1,919	64.30
<b>General Insurance</b>	<b>314</b>	631	(50.24)
<b>TOTAL</b>	<b>16,235</b>	<b>10,471</b>	<b>55.05</b>

## Three-year Financial Performance (Rs. in Lakhs)



# Overview of the Insurance Broking Industry

## Global Insurance Industry

### Life Insurance

The global life insurance market had total gross written premiums of USD 2.6 trillion in FY 2016, registering a growth of approximately 2.5% from FY 2015. Premium growth rate has declined in the advanced markets although accelerated in the emerging markets. Total premium for advanced economies grew by 0.7% as compared to 2.5% in FY 2015. Life premiums in the emerging markets grew 17% in FY 2016 versus 12% in FY 2015, well above the overall growth of 2.5%.

In terms of the market share of life insurance, Asia is the largest contributor, accounting for 38% of premium collected. Emerging markets in Asia recorded improved performance in FY 2016, partly due to strong growth in China, India and Hong Kong, with the main contributor being China, where premium growth accelerated to 20.6% in FY 2016, from 20% in FY 2015.

### Non-life Insurance

The global non-life insurance industry was sized at around USD 2.1 trillion in terms of premium as of FY 2016. Asia is the third largest market for non-life insurance, accounting for 23% of gross direct premium whereas India has a share of only 0.83% in the world and 3.5% in Asia's non-life insurance market as of FY 2016. The Asian non-life insurance industry posted a year-on-year increase of 8.9% in premiums in FY 2016.

## Indian Insurance Industry

The Indian insurance industry reached Rs. 5.55 trillion in FY 2017. The Indian insurance industry is largely dominated by life insurance although non-life segment is gaining significant market share in the recent times. The share of life insurance industry and non-life insurance industry was 87% and 13% respectively in FY 2011 which is changed to 76% and 24% respectively in FY 2017. With the objective to increase the insurance

penetration in India, regulators are taking several initiatives and policy changes viz. Increase in foreign investment limit.

**a. Life Insurance:** India's life insurance penetration stood at 2.7% versus average global penetration of 3.5% as of FY 2016. Among comparable Asian counterparts, life insurance penetration for Thailand, Singapore and South Korea stood at 3.7%, 5.5% and 7.4%, respectively, as of FY 2016, much higher compared with India. This indicates the untapped potential of the Indian life insurance market. The Life Insurance industry witnessed a growth at CAGR of 7.8% during FY 2012 to FY 2017 in terms of total premium to reach at ₹ 4.2 trillion over the next five years. The life insurance industry is supported in the form of incentives, tax savings etc. and there is a push from the Government through various schemes like PMJBY, PMFBY and UHIS. This growth is expected to be propelled by high historical nominal GDP growth, moderate-to-low inflation, improvement in the financial savings rate, initiatives undertaken by the Government to ensure adequate social security, favourable demographics, growing awareness and regulatory changes.

**b. Non-life Insurance:** India is amongst the top 15 non-life insurance markets in the world and one of the fastest growing markets, with the total gross premium of Rs. 1.3 trillion in FY 2017. The Indian non-life insurance industry growth is higher given the low base due to lower penetration and therefore the growth rate is high for India as compared to some of the major economies of the world and some of the emerging Asian economies.

Many reputed organisations across the world have partnered to join the growing non-life insurance industry in India. As of now, there are 33 non-life insurance companies in India.

Gross premiums of non-life insurance companies grew at a 19.1% CAGR over FY 2012 to FY 2017.

With economic growth gradually picking up and structural drivers in place, it is expected that the growth trajectory of the non-life insurance sector to remain strong in the next five years in double digits.

## Insurance broking industry

Brokers have expanded their footprint pan-India to play an important role in the insurance industry. The insurance broking industry is highly fragmented with 385 brokers as of FY 2017, which has consistently increased on the merits of being more client-centric. Brokers are primarily concentrated in populous and urbanised states in India owing to higher dispensable income. Top five states constitute 74% of total brokers whereas Maharashtra and New Delhi together account for nearly half of the brokers.

Type	Dealing	%
Direct	Can deal in all life and non-life products	<b>86</b>
Reinsurance	Can only deal in reinsurance	<b>1</b>
Composite	Can deal in all products	<b>13</b>

Brokers account for only approximately 6-7% of the industry in terms of insurance premium collection. In the non-life insurance segment, brokers accounted for ~25% of gross direct premium as of FY 2017, registering growth at CAGR of 25% over FY 2012-17. This can be attributed to the higher commission structure when compared with life insurance where only ~1% in FY 2017 of the premium was contributed by brokers. Among the non-life segment, the growth is driven by increasing penetration in motor and health businesses. However, penetration in these two products is still low and has growth potential.



# Moments From the Journey so far...

## We are there, when it really matters



Supported the family to settle a claim of Rs. 50 lakhs in no time. Handing over the cheque to Mrs. Rasheeda Bee A (mother of the deceased) by Mr. George Alexander Muthoot, MD, Muthoot Group in the presence of Mr. Thomas P Rajan, CEO of Muthoot Insurance Brokers and other dignitaries from Muthoot Finance along with insurance representative



Muthoot Insurance Brokers awarded by Kotak Life Insurance for covering 5,00,000 lives



Our Director, George Alexander Muthoot, along with Thomas P Rajan, CEO receiving Best Corporate Agency award from K.V. Kamath, Chairman, ICICI Group at Sydney in 2004



Muthoot Insurance Brokers awarded by Liberty General Insurance for covering 2,00,000 homes through Muthoot Home Protector



# Chairman's Message



**The life insurance industry, which has a penetration of ~2.7%, witnessed a CAGR of 7.8% during FY 2012 to FY 2017 in terms of total premium to reach at Rs. 4.2 trillion.**

Dear Shareholders,

The importance of insurance cannot be emphasised enough. It is the secure foundation on which people can achieve their life plans and aspirations. It is the safety net which protects when untoward eventualities strike. Yet India's insurance penetration, both life and non-life is appallingly low.

It is heartening to see that this situation is changing. The life insurance industry, which has a penetration of ~2.7%, witnessed a CAGR of 7.8% during FY 2012 to FY 2017 in terms of total premium to reach at Rs. 4.2 trillion. Going forward, the new business premium of life insurers is expected to grow at 11-13% CAGR to Rs. 3-3.1 trillion over the next five years.

In the case of non-life insurance also, the levels of penetration leave much to be desired. However, India is amongst the top 15 non-life insurance markets in the world. It is one of the fastest growing markets, with the total gross premium of Rs. 1.3 trillion in FY 2017. Given the low penetration level in the non-life insurance business until now, premium growth for the industry has been high for India in comparison to some of the major economies of the world and some of the emerging Asian economies.

In the future, the growth of the insurance sector is expected to be propelled by high GDP growth, moderate-to-low inflation, improvement in the financial savings rate, initiatives undertaken by the Government to ensure adequate social security, favourable demographics, growing awareness and regulatory changes.

As we enter a new financial year, we feel confident that we will be able to continue to bring about positive changes in the lives of people with our insurance offerings, delivered through our large network across the country.

Best Regards,

**Shri M. G. George Muthoot**

Chairman  
Muthoot Finance Ltd.

## MD's Message



**The Company has won many awards for its 'quality of business' and 'after sales service' from the industry.**

Dear Shareholders,

Insurance Broking Division forms an integral part of our diversified financial activities. It has gained further significance as the world is moving towards a 'One-Stop Solution' for financial needs.

In the preliminary years of operations of this Company, it has followed a Banca business model, using the branch network and customer base of the parent company. This strategic approach has delivered benefits all around – it has given our customers access to unique and customised insurance products from an outlet that they have a long and trusted relationship with. The parent company has benefited from its ability to cross-sell products and Muthoot Insurance Brokers was able to springboard itself into business, from the robust foundation laid by its parent company.

Initially, like its parent company, Muthoot Insurance Brokers launched its operation in the Company's home state of Kerala and stayed focussed on that region. As time went by, it expanded its presence pan-India. Today, we are proud to say that it is operational in almost all States and Union Territories. Over the years, we have earned the trust of our multitude of clients, on the back of the consumer-centric business practices. As a testimony to our efforts in this area, the Company has won many awards for its 'quality of business' and 'after sales service' from the industry.

Looking ahead, we plan to expand more branches across India and introduce a greater digitalisation in all aspects of the business. In the digital era that follows, we will continue our personalised touch and unwavering attention to our customer's needs. This philosophy, we believe, will continue to ensure that we make remarkable growth in the years to come.

Best Regards,

**George Alexander Muthoot**

Director

Muthoot Insurance Brokers Pvt. Ltd.

## CEO's Message



**Our revenue from operations has increased by over 47%, Total premium collection has grown by 62%, while our Profit after Tax has grown by 75%, resulting in an EPS growth of 75% too.**

Dear Shareholders,

It gives me great pleasure to present to you the Annual Report for FY 2018. As in the past, we have achieved an impressive growth in all departments. Our revenue from operations has increased by over 47%, Total premium collection has grown by 62%, while our Profit after Tax has grown by 75%, resulting in an EPS growth of 75% too.

In terms of operations, we have continued with our practice of introducing customised, value-added products for our customers, such as Muthoot Life Guard, Muthoot Health Care, Muthoot Home Protector and Muthoot Shop Owners Policy. All these Products unlocked new levels of service standards, social responsibility and opportunity for our customers as well as for the Company. All these products are well-accepted by our customers because of its uniqueness in terms of benefits and cost.

Going forward, we will be offering our clients more niche as well as mainstream products that meet their unique needs. As we augment our presence and products, with our tried and tested business strategy, we are confident that we will be able to delight our stakeholders with robust financial performances.

This message would be incomplete if I do not acknowledge that one of the greatest reasons for our success is our dedicated professional sales and service team. I would like to express my gratitude to them for all their efforts and enthusiasm. I would also like to thank our parent company and management for their constant encouragement and confidence in us. With their continued trust and support, we look forward to a very bright future of continuing to create value and make a positive difference in this vibrant and growing nation.

Best Regards,

**Thomas P. Rajan**  
CEO, Muthoot Insurance Brokers Pvt. Ltd.

## Board of Directors

**George Alexander Muthoot**  
Director



George Alexander Muthoot is a chartered accountant who qualified with a first rank in Kerala and ranked 20th overall in India, in 1978. He has a bachelor's degree in Commerce from Kerala University where he was a rank holder and gold medallist. He was also awarded the Times of India group Business Excellence Award in customised Financial Services in March 2009. He served as the Chairman of the Kerala Non-banking Finance Companies Welfare Association from FY 2004 to FY 2007 and is currently its Vice Chairman. He is also the Member Secretary of Finance Companies Association, Chennai. He is the founder member for The Indus Entrepreneurs International, Kochi Chapter and is now a member of the Core Committee of The Indus Entrepreneurs International Kochi Chapter. His insight for understanding of gold loan business and professional zeal has been the catalyst behind the Company's meteoric rise to the present level of being India's largest gold loan company.

**George Jacob Muthoot**  
Director



George Jacob Muthoot has a degree in civil engineering from Manipal University and is a businessman by profession. He is a member of the Trivandrum Management Association, the Confederation of Real Estate Developers Association of India (Trivandrum) and the Trivandrum Agenda Task Force. He is also a member of the Rotary Club, Trivandrum (South), governing body member of the Charitable and Educational Society of Trivandrum Orthodox Diocese, Ulloor, Trivandrum, Finance Committee Member, Mar Diocese College of Pharmacy, Althara, Trivandrum and Mar Gregorious Orthodox Christian Mercy Fellowship, Trivandrum. His operations management skills have been crucial in the smooth transition of the Company from being a local player to one with a pan-India presence.

**George M George**  
Director



George M George, is the 4th generation entrepreneur at The Muthoot Group. He completed his Bachelor's Degree in Hospitality Management from the prestigious Welcome Group Graduate School of Hotel Administration in Manipal and after having worked with many national and international Hospitality organisations like Intercontinental Group, Carlson Hospitality and East Indian Hotels, he went on to pursue his Master's degree at the prestigious Essec-Cornell University in Paris, France. During his present stint at The Muthoot Group, he worked tirelessly on various new products and services, primarily in the Hospitality and Media divisions of the Company, by instilling new brands based upon his passion for sustainability. He was instrumental in launching

Chennai's first English radio station and India's first Talk radio format in FY 2007. He was also instrumental in launching local brands like Travel Jango and Via Kerala amongst others, in areas as diverse as online travel and handcrafted products that support local entrepreneurs. He has been an active member of Young Indians (YI), a youth movement dedicated to Nation Building under the mentorship of the Confederation of Indian Industries (CII) and was the Chairman of the Kochi Chapter. He is a member of the Kerala Chapter of the Young Presidents Organization (YPO) and a past Round Table member. He is also the recipient of the Distinguished Alumni award from Manipal University and the ITC Chairman's award for his contribution to the field of hospitality.

**Alexander George Muthoot**

Director



Alexander George Muthoot, is an MBA Graduate from Thunderbird University (USA) and an advanced diploma holder in Business Administration from Florida International University, Miami (USA). He has also served as the President of Indian Subcontinent Club at Thunderbird University and has been a member of various committees at the university. He currently heads the Marketing, Operations of the Company. Under his dynamic leadership and keen vision, the Company has enhanced its brand visibility through innovative marketing strategies, expanded its branch network, and implemented various IT initiatives that have benefited both customers and employees.

**George M Alexander**

Director



George M Alexander has completed his master's in Business Administration from University of North Carolina's – Kenan & Flagler Business School and bachelors in Mechanical Engineering from University of Kerala TKM College of Engineering. He currently works as Senior Vice President of Muthoot Finance taking care of operations in the State of Karnataka & Goa. He also has the additional responsibility of monitoring Global Operations of The Muthoot Group in USA. The Group is four generations old and George Alexander represents the fourth generation. Prior to joining his family business, George had worked for ING & Kotak Mahindra Bank in India.

**Sunil Koshy Zachariah**

Director



Sunil Koshy Zachariah is Director of Futuristic Consultancies Pvt Ltd, a well-known management consultant company. He is a past president of Kerala Management Association and has served as national council member of the All India Management Association. He was also in the managing committees of NIPM, Kerala Chapter and the CII, Kerala. He was Rotary District Governor and has served on several national and global committees of Rotary International. Sunil has served on the Board of FCI OEN Connectors Ltd and other companies.

**Thomas P Rajan**

CEO



Thomas P Rajan, Post Graduate in Economics from Kerala University & joined a Scheduled Bank as Probationary Officer in 1979. He joined The Muthoot Group in FY 2002 as Head - Muthoot Wealth Management Services while Muthoot Wealth Management Services was functioning as a Corporate Agent of a Private Life Insurance Company. His consistent effort had resulted in The Muthoot Group getting rewarded with the Best Corporate Agent for many years. He attended many International conferences representing The Muthoot Group. With his consistent effort and under the able guidance of the Management, The Muthoot Group got its Broking License (Direct) in FY 2013, which enabled it to offer multiple types of insurance products of various insurance companies. He played a major role in designing, innovating, marketing and selling many customised insurance products for Muthoot customers emphasising the need, affordability and comfort of Muthoot customers. For all his dedicated efforts for a remarkable journey of 16 plus years, he is well known in the Insurance Industry.



# We are Socially Responsible

As a social responsible Company, we are always giving our best to the society. We do our CSR activities through Muthoot M George Foundation which is the charity wing of the Muthoot Group. This financial year, the Company has spend Rs. 10 lakhs for its CSR activities.



**Financial Assistance  
in health care by our  
Director George  
Jacob Muthoot at  
Thiruvananthapuram**

# Board Report

## Dear Members,

Your Directors have pleasure in presenting this 17<sup>th</sup> Annual report on the affairs of the Company together with the Audited Statement of Accounts for the year ended on 31<sup>st</sup> March 2018

### 1. Financial Summary or performance of the company:

Particulars	(In Rs.)	
	Year Ended 31.03.2018	Year Ended 31.03.2017
Operating Income	<b>15,93,01,066.03</b>	10,79,40,836.93
Other Income	<b>2,23,06,442.67</b>	84,75,805.95
Total Income	<b>18,16,07,508.70</b>	11,64,16,642.88
Profit before Taxation	<b>14,92,36,545.76</b>	8,81,48,680.97
Profit after Taxation	<b>10,53,90,220.33</b>	6,01,65,674.31

### 2. Operations

The Company has reported total income from operations of Rs. 15,93,01,066.03 for the current year as compared to Rs. 10,79,40,836.93 in the previous year. The Net profit for the year under review amounted to Rs. 10,53,90,220.33 in the current year as compared to Net profit of Rs. 6,01,65,674.31 in the previous year. There were significant increase in revenue and profits due to higher collection of premium driven by higher sales of existing and newly introduced group insurance plans.

### 3. Transfer to reserves

The Company has transferred entire profit of Rs.10,53,90,220.33 to General Reserves.

### 4. Dividend

Board of Directors decided not to recommend any dividend for FY 2018.

### 5. Material Changes during financial year

Your Company has completed one year as wholly owned subsidiary of Muthoot Finance Limited (MFIN). As expected being wholly owned subsidiary of MFIN has helped in better brand building and increased income in the Company.

There are no materials changes post balance sheet date for Financial Year ended 31<sup>st</sup> March 2018.

### 6. Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

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

### 7. Subsidiary Company

As on 31<sup>st</sup> March 2018, the Company does not have any subsidiary.

### 8. Statutory Auditor & Audit Report

M/s. Joly Varghese, Chartered Accountant, statutory auditor of the Company having Membership number 213599 hold office until the conclusion of the 18<sup>th</sup> Annual General Meeting subject to the ratification of the members at every Annual general meeting.

As required under Section 139 of the Companies Act, 2013, the Company has obtained a written consent from the Auditors to their continued appointment and also a certificate from them to the effect that their existing appointment is in accordance with the conditions prescribed under the Companies Act, 2013 and the rules made thereunder.

There are no qualifications or observations or remarks made by the Auditors in their Report.

### 9. Change in the nature of business

There is no change in the nature of the business of the company.

### 10. Details of directors or key managerial personnel;

The Board of our Company consists of six directors as on the date of this report as follows.

1. George Alexander Muthoot
2. George Jacob Muthoot
3. George M George
4. George M Alexander
5. Sunil K Zachariah
6. Alexander M George

All the Directors of the Company have rich experience and specialized knowledge in various areas of relevance to the Company. The Company has immensely benefited by the range of experience and skills that the directors bring to the Board.

Mr. Sunil K Zachariah, Director (DIN: 00306625) retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors recommends the re-appointment of Mr. Sunil K Zachariah as a Director of the Company. Recommendation for re-appointment is mentioned in notice of the AGM.

Mr. Alexander M George, Director (DIN: 00938073), retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors recommends the re-appointment of Mr. Alexander M George as a Director of the Company. Recommendation for re-appointment is mentioned in notice of the AGM.

During the year under review, there is no change in Directors and Key Managerial Persons. Mr. Thomas P Rajan continued to act as Chief Executive Officer of the Company.

#### **11. Deposits:**

The Company has not invited/ accepted any deposits from the public during the year ended 31<sup>st</sup> March 2018. There were no unclaimed or unpaid deposits as on 31<sup>st</sup> March 2018.

#### **12. Conservation of energy, technology absorption, foreign exchange earnings and outgo:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as Annexure A.

#### **13. Number of meeting of the Board:**

During FY 2018, the Board of Directors met Six times viz. on 25.04.2017, 22.06.2017, 27.07.2017, 26.10.2017, 25.01.2018 and 19.02.2018.

#### **14. Directors' Responsibility Statement:**

Pursuant to the requirement under section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- (i) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (ii) 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 as at 31<sup>st</sup> March 2018 and of the profit and loss of the company for that period;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the directors had prepared the annual accounts on a going concern basis; and
- (vi) 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.

#### **15. Declaration by Independent Directors**

The Company was not required to appoint Independent Directors under Section 149(4) and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 hence no declaration has been obtained.

#### **16. Company's Policy on Directors' Appointment and Remuneration Including Criteria for Determining Qualifications, Positive Attributes, Independence of A Director and other Matters Provided Under Sub-Section (3) of Section 178**

The Company was not required to constitute a Nomination and Remuneration Committee under Section 178(1) of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Stakeholders Relationship Committee under Section 178(5) of the Companies Act, 2013.

#### **17. Particulars of Loans, Guarantees or Investments Under Section 186:**

During the year under review, the Company has not advanced any loans/ given guarantees/ made investments except as provided under Note for disclosure under Section 186(4) of Companies Act, 2013 in Notes of Account in Financials of the Company. The note is self-explainable and stated transactions are in compliance of requirement of Section 186 of Companies Act, 2013 and investment in NCDs including those of fellow subsidiaries are in ordinary course of business and they were invested for general business purposes by utilizing excess liquidity.

**18. Particulars of Employee**

None of the employee has received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**19. Extract of The Annual Return In Form MGT-9**

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9 is attached as Annexure B.

**20. Corporate Social Responsibility (CSR)**

Your Board has constituted a Corporate Social Responsibility Committee in accordance with the requirements of Section 135 of the Companies Act, 2013. The Annual report on CSR activities as required under the Companies (CSR Policy) Rules, 2014 is attached to this report as Annexure C.

**21. Related Party Transactions**

Particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 in the Form AOC-2 annexed to report.

Transactions in ordinary course of business which are not material under Policy of the Company are provided under

disclosure requirement under AS-18 in notes of accounts of the Company.

Board of Directors are/were of view that all transactions disclosed were in Arm's Length Basis in ordinary course of business.

**22. Acknowledgments:**

Your Directors take this opportunity to place on record their appreciation and sincere gratitude to Insurance Regulatory Development Authority (IRDA), its customers and Muthoot Finance Limited, the holding Company, for their valuable support and look forward to their continued co-operation in the years to come.

Your Directors acknowledge the support and co-operation received from the employees and all those who have helped in the day to day management.

For and on behalf of the Board of Directors

**GEORGE ALEXANDER MUTHOOT**

Director

DIN: 00016787

**GEORGE JACOB MUTHOOT**

Director

DIN: 00018235

Place: Ernakulam  
Date: 12<sup>th</sup> July 2018

# ANNEXURE – A

**Information under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) the Companies (Accounts) Rules, 2014 and forming part of the Report of the Directors**

**(A) Conservation of energy-**

- (i) the steps taken or impact on conservation of energy: NIL
- (ii) the steps taken by the company for utilising alternate sources of energy: NIL
- (iii) the capital investment on energy conservation equipments: NIL

**(B) Technology absorption-**

- (i) the efforts made towards technology absorption: NIL
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution: NIL
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): NIL
- (iv) the expenditure incurred on Research and Development: NIL

**(C) Foreign exchange earnings and Outgo-**

There is no Foreign exchange earnings and Outgo during the year.

**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:

1. **Details of contracts or arrangements or transactions not at arm’s length basis: Nil**
2. **Details of material contracts or arrangement or transactions at arm’s length basis: Nil**

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangement/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
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For and on behalf of the Board of Directors

**GEORGE ALEXANDER MUTHOOT**  
 Director  
 DIN: 00016787  
 Place: Ernakulam  
 Date: 12<sup>th</sup> July 2018

**GEORGE JACOB MUTHOOT**  
 Director  
 DIN: 00018235



# Annexure B

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

**for financial year ended on 31<sup>st</sup> March 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:

1	CIN	U67200KL2002PTC015200
2	Registration Date	23/01/2002
3	Name of the Company	MUTHOOT INSURANCE BROKERS PRIVATE LIMITED
4	Category/Sub-category of the Company	Private Limited Company
5	Address of the Registered office & contact details	3 <sup>rd</sup> FLOOR, MUTHOOT CHAMBERS, BANERJI ROAD ERNAKULAM KERALA 682018
6	Whether listed company	Unlisted
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

## 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)

Sl. No	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Insurance, reinsurance and pension funding, except compulsory social security	65	100%

## III. Particulars of holding, subsidiary and associate companies

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1	Muthoot Finance Limited, 2 <sup>nd</sup> Floor Muthoot chambers Opp Saritha Theatre Complex Ernakulam - 682018	L65910KL1997PLC011300	Holding	100	Section 2(46)

## IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 <sup>st</sup> April 2017]				No. of Shares held at the end of the year [As on 31 <sup>st</sup> March 2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>1. Indian</b>									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 <sup>st</sup> April 2017]				No. of Shares held at the end of the year [As on 31 <sup>st</sup> March 2018]				% Change during the year
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	500000	500000	100	-	500000	500000	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	-	500000	500000	100	-	500000	500000	100	-
<b>2. Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) =(A)(1)+(A)(2)</b>	-	500000	500000	100	-	500000	500000	100	-
<b>B. Public Shareholding</b>	0	0	0	0	0	0	0	0	-
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1)</b>									
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	500000	500000	100	-	500000	500000	100	-

**B) Shareholding of Promoter**

Sl. No	Shareholder's Name	Shareholding at the beginning of the FY 2018			Shareholding at the end of the FY 2018			% 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	Muthoot Finance Ltd	500000	100	Nil	500000	100	Nil	100
	<b>Total</b>	<b>500000</b>	<b>100</b>	<b>Nil</b>	<b>500000</b>	<b>100</b>	<b>Nil</b>	<b>-</b>

**C) Change in Promoters' Shareholding****1. Muthoot Finance Ltd**

Sl. No.		Shareholding at the beginning of the FY 2018		Cumulative Shareholding during the FY 2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	500000	100	500000	100
2	Date wise Increase / Decrease in Shareholding during the year:	NIL			
3	At the end of the year			500000	100

**D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the FY 2018		Cumulative Shareholding during the FY 2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	NIL	NIL	NIL	NIL
2	Date wise Increase / Decrease in Shareholding during the year:	NIL			
3	At the end of the year(or on the date of separation, if separated during the year)	NIL	NIL	NIL	NIL

**E) Shareholding of Directors and Key Managerial Personnel**

Sl. No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the FY 2018		Cumulative Shareholding during the FY 2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	George Alexander Muthoot				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Decrease by way of transfer to Muthoot Finance Ltd	NIL			
	At the end of the year	NIL	NIL	NIL	NIL

Sl. No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the FY 2018		Cumulative Shareholding during the FY 2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	George M Alexander				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Decrease by way of transfer to Muthoot Finance Ltd	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL
3.	George Jacob Muthoot				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Decrease by way of transfer to Muthoot Finance Ltd	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL
4	Thomas Painummoottil Rajan (CEO-KMP)				
	At the beginning of the year	NIL	NIL	NIL	NIL
	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	NIL	NIL	NIL	NIL
5	Alexander M George				
	At the beginning of the year	NIL	NIL	NIL	NIL
	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	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL
6	George M George				
	At the beginning of the year	NIL	NIL	NIL	NIL
	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	NIL	NIL	NIL	NIL
7	Sunil K Zachariah				
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): Decrease by way of transfer to Muthoot Finance Ltd	NIL	NIL	NIL	NIL
	At the end of the year	NIL	NIL	NIL	NIL

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>	-	-	-	-
*Addition	-	-	-	-
*Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

### REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

SI No:	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount (Rs.)
		Whole-time Director	Whole-time Director	Whole-time Director	
1	Gross salary for FY 2018				
	(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	-	-	-	-
	<b>Total (A)</b>				
	<b>Total Managerial Remuneration during the Financial Year Remuneration Ceiling as per the Act</b>				



**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Directors	Total Amount (Rs.)
1	Independent Directors	-	-
	Fee for attending board committee meetings	-	-
	Commission	-	-
	Others, please specify	-	-
	Remuneration	-	-
	<b>Total (1)</b>	-	-
2	Other Non-Executive Directors	Mr. Sunil K Zachariah	
	Fee for attending board committee meetings		1 lakhs
	Commission	-	-
	Others (Reimbursement of traveling and other expenses)	-	2.25 lakhs
	<b>Total (2)</b>	-	3.25 lakhs
	<b>Total (B)=(1+2)</b>	-	3.25 lakhs
	<b>Total Managerial Remuneration</b>	-	3.25 lakhs

**C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD**

Salary Rs. in lakhs

Sl. No	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary		-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13.25	-	-	-
	(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	-	-	-	-
	<b>Total</b>	<b>13.25</b>	-	-	-

**D. 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)	
<b>A. COMPANY</b>						
Penalty	-	-	-	-	-	-
Punishment	-	-	-	-	-	-
Compounding	-	-	-	-	-	-
<b>B. DIRECTORS</b>						
Penalty	-	-	-	-	-	-
Punishment	-	-	-	-	-	-
Compounding	-	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>						
Penalty	-	-	-	-	-	-
Punishment	-	-	-	-	-	-
Compounding	-	-	-	-	-	-

For and on behalf of the Board of Directors

**GEORGE ALEXANDER MUTHOOT**

Director

DIN: 00016787

Place: Ernakulam

Date: 12<sup>th</sup> July 2018

**GEORGE JACOB MUTHOOT**

Director

DIN: 00018235

# Annexure- C

## Annual Report on Corporate Social Responsibility (CSR) Activities

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. Company's CSR policy encompasses the company's philosophy for delineating its responsibility as a corporate Citizen and lays down the guidelines and mechanism for carrying out socially useful activities/ projects and programmes for welfare, sustainability and development of community at large. Company has mainly focused on health awareness and is in the process of expanding its CSR activities.

2. **The CSR Committee was constituted by our Directors by a board resolution dated 25<sup>th</sup> January 2017 and comprises of:**

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Sunil Koshy Zachariah	Chairman	Non-Executive Non Independent Director
Mr. George Alexander Muthoot	Member	Non-Executive Non Independent Director
Mr. George M Alexander	Member	Non-Executive Non-Independent Director

3. **Average net profit of the Company for last three financial years: Rs. 5,88,38,781.18/-**

4. **Prescribed CSR Expenditure : Rs. 11,76,776/-**

5. **Details of CSR spent during the financial year:**

(a) Total amount spent for the financial year: Rs. 10,00,000/-

(b) Amount unspent, if any: Rs. 1,76,776/-

(c) Manner in which the amount spent during the financial year is detailed below:

Sl. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs		Amount outlay (budget) project or programs wise	Amount spent on the projects or programs		Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementation agency
			Local area or other	Specify the State and district where projects or programs was undertaken		Direct expenditure on projects or programs	overheads		
1	Medical Assistance	Health Care	South India	Kerala	Rs.10,00,000/-	Rs.10,00,000/-		Rs.10,00,000/-	Muthoot M George Foundation, Implementing Agency for CSR activities

5. **Justification for unspent money out of 2% of the average net profit of the last financial years.**

The Company has spent Rs. 10,00,000/- towards CSR activities. However, the amount spent is short of amount required to be spend under Section 135 of Companies Act, 2013, as the Company was unable to identify suitable projects within its CSR Policy. Your Company is focused on creating required framework which will be helpful in identifying suitable projects and for better and meaningful spending of CSR contribution.

## 6. Responsibility Statement of the CSR Committee for the implementation and monitoring of CSR policy in compliance with CSR objectives and policy of the Company.

The Company understands that in order to continue to prosper over the long term, community, environment activities are aimed at driving the above values through its initiatives in the areas of education, environment and customer protection.

For and on behalf of the Board of Directors of  
**M/s. MUTHOOT INSURANCE BROKERS PRIVATE LIMITED**

**GEORGE ALEXANDER MUTHOOT**

Director (DIN: 00016787)

**GEORGE JACOB MUTHOOT**

Director (DIN: 00018235)

**SUNIL KOSHY ZACHARIAH**

Chairman- CSR Committee (DIN: 00306625)

Place: Ernakulam

Date: 12<sup>th</sup> July 2018

# Independent Auditors' Report

## To The Members of Muthoot Insurance Brokers Private Limited

### Report on the Financial Statements

I have audited the accompanying financial statements of **MUTHOOT INSURANCE BROKERS PRIVATE LIMITED** ("the company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit.

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

I conducted my audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those

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

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

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

### Opinion

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2018;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, I give in the **Annexure-A** a statement on the matters specified in the paragraph 3 and 4 of the order to the extent applicable.

2. As required by Section 143 (3) of the Act, I report that:
- a) I have sought and obtained all the information and explanations which to the best of My knowledge and belief were necessary for the purposes of My audit.
  - b) In my opinion proper books of account as required by law have been kept by the Company so far as appears from My examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In my opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2018, 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 My separate report in **"Annexure B"**; and
- g) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in my opinion and to my best of my information and according to the explanations given to me:
  - i. The Company did not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There are no amounts which are required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : Ernakulam

Date : 30<sup>th</sup> April 2018



## "Annexure- A" to the Independent Auditors' Report

The Annexure -A referred to in my Audit report to the members of MUTHOOT INSURANCE BROKERS PRIVATE LIMITED for the year ended 31<sup>st</sup> March 2018.

On the basis of the information and explanation given to us during the course of our audit, I report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As explained to me, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification. In my opinion and according to the information and explanations given to me, no fixed asset has been disposed off during the year and therefore does not affect the going concern of the company.  
(c) Total Assets of company not includes Immovable property.
2. (a) As the Company is a Service Company the company does not hold any inventory during the period under audit. Therefore the provision of this clause does not applicable to the company.
3. According to the information and explanations given to me and on the basis of My examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act. Thus sub clauses (a) & (b) are not applicable to the company.
4. In My opinion and according to the information and explanations given to me, The provisions of section 185 of the Act are not applicable to the Company. The Company has complied with the provisions of section 186 of the Act to the extent applicable.
5. In My opinion and according to the information and explanations given to me company hasn't accepted any deposits, from the directives issued by the Reserve Bank of India and as per the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act
6. As per information & explanation given by the management maintenance of cost records prescribed by the Central Government under clause (d) of sub-section (1) of section 148 of the Act is not applicable to the company.
7. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, wealth Tax, Service Tax,GST, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to me there were no outstanding statutory dues as on 31<sup>st</sup> March 2018 for a period of more than six months from the date they became payable.  
(b) According to the information and explanations given to me, there is no amounts payable in respect of income tax, wealth tax, service tax and sales tax, which have not been deposited on account of any disputes.  
(c) In My opinion there is no amount pending which is required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under within time.
8. In my opinion and according to the information and explanation given to me, Since the Company does not have any borrowing from Financial Institution ,bank, Government and through debentures ,the provisions of the clause 3 (VIII) of the order are not applicable to the company.
9. Based on My audit procedures and on the information and explanations given by the management, The company has not taken any Term loan either from financial institutions or from the government and has not issued any debentures. Accordingly ,the provisions of the clause 3(ix)of the order are not applicable to the company
10. Based on My audit procedures and on the information and explanations given by the management ,I report that no fraud by the company or on the company by its officers or employees has been noticed or reported during the year
11. Since the company is private limited company provisions of section 197 not applicable.

12. In my opinion the company is not a Nidhi company therefore, the provisions of clause 4 (xii) of the order are not applicable to the company.
13. All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
14. Based on My audit procedures and on the information and explanations given by the management The company hasn't made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly the provisions of clause 3 (XIV) of the order are not applicable to the company
15. Based on My audit procedures and on the information and explanations given by the management The company hasn't entered into any non-cash transactions with directors or persons connected with him. Accordingly the provisions of clause 3 (XV) of the order are not applicable to the company.
16. Based on My audit procedures and on the information and explanations given by the management The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly the provisions of clause 3 (XVI) of the order are not applicable to the company.

Place : Ernakulam

Date : 30<sup>th</sup> April 2018

## Annexure - B to the Auditors' Report

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

I have audited the internal financial controls over financial reporting of **MUTHOOT INSURANCE BROKERS PRIVATE LIMITED**. ("The Company") as of 31<sup>st</sup> March 2018 in conjunction with My audit of the financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I 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.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My 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 lackness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of 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 My opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2018,

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.

Place : Ernakulam

Date : 30<sup>th</sup> April 2018

# Balance Sheet

As at 31<sup>st</sup> March 2018

(Rs. in Lakhs)

Particulars	Note No.	As at 31 <sup>st</sup> March 2018	As at 31 <sup>st</sup> March 2017
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
(a) Share Capital	3	50,00,000.00	50,00,000.00
(b) Reserves & Surplus	4	27,11,58,596.26	16,57,68,375.93
		<b>27,61,58,596.26</b>	<b>17,07,68,375.93</b>
<b>Non-current liabilities</b>			
(a) Deferred Tax Liabilities ( Net)	9	1,58,597.59	79,794.59
<b>Current liabilities</b>			
(a) Other Current Liabilities	5	99,28,238.88	42,83,303.85
(b) Short Term Provision	6	68,61,296.94	55,48,937.12
<b>Total</b>		<b>29,31,06,729.68</b>	<b>18,06,80,411.49</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Fixed Assets	7		
(i) Tangible Assets		18,08,017.07	14,32,620.40
(i) Intangible Assets		1,93,438.00	3,51,878.00
(b) Non-Current Investments	8	22,00,00,000.00	14,00,00,000.00
(d) Long term Loans & Advances	10	22,92,986.00	22,60,000.00
<b>Current Assets</b>			
(a) Trade Receivables	12	3,35,73,714.86	2,19,73,197.96
(b) Cash and Cash Equivalents	13	3,30,47,759.64	97,05,093.35
(c) Other Current Assets	14	21,90,814.11	49,57,621.78
<b>Total</b>		<b>29,31,06,729.68</b>	<b>18,06,80,411.49</b>

Notes on accounts form part of final accounts

Vide my audit report of even date

**Jolly Varghese**, B.Sc., F.C.A  
Chartered Accountant  
Membership No. 213599

For **Muthoot Insurance Brokers Pvt Ltd**

**George Alexander Muthoot**  
Director

**George Jacob Muthoot**  
Director

Place: Cochin

Date : 30<sup>th</sup> April 2018

# Statement of Profit and Loss

For the Year Ended 31<sup>st</sup> March 2018

Particulars	Note No.	(Rs. in Lakhs)	
		Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
<b>I. INCOME</b>			
Revenue from operations	15	15,93,01,066.03	10,79,40,836.93
Other Incomes	16	2,23,06,442.67	84,75,805.95
<b>Total</b>		<b>18,16,07,508.70</b>	<b>11,64,16,642.88</b>
<b>II. EXPENSES</b>			
Employee Benefits	17	2,63,93,525.00	2,24,73,048.00
Depreciation & Amortisation	7	7,63,489.33	6,23,207.08
Other Expenses	18	52,13,948.62	51,71,706.82
<b>Total</b>		<b>3,23,70,962.94</b>	<b>2,82,67,961.90</b>
<b>III. Profit Before Tax</b>		<b>14,92,36,545.76</b>	<b>8,81,48,680.97</b>
1) Current Tax		4,32,37,009.54	2,96,20,861.00
2) Deferred Tax		78,803.00	1,02,631.00
3) Tax for previous years		5,30,512.89	(17,40,485.34)
<b>IV. Profit After Tax</b>		<b>10,53,90,220.33</b>	<b>6,01,65,674.31</b>
<b>Earnings Per Share</b>	19	<b>211</b>	<b>120</b>

Notes on accounts form part of final accounts

Vide my audit report of even date

**Jolly Varghese**, B.Sc., F.C.A

Chartered Accountant

Membership No. 213599

Place: Cochin

Date : 30<sup>th</sup> April 2018

For **Muthoot Insurance Brokers Pvt Ltd**

**George Alexander Muthoot**

Director

**George Jacob Muthoot**

Director



# Cash Flow Statement

For the Year Ended 31<sup>st</sup> March, 2018

(Rs. in Lakhs)

Particulars	For the Year ended	
	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017
<b>Cash Flow from Operating activities :</b>		
<b>Net profit before tax</b>	<b>14,92,36,545.76</b>	8,81,48,680.97
Adjustments for:		
Add: Depreciation and amortisation	<b>7,63,489.33</b>	6,23,207.08
Less: Income from Investments	<b>(2,23,06,442.67)</b>	(84,75,805.95)
<b>Operating profit before working capital changes</b>	<b>12,76,93,592.42</b>	<b>8,02,96,082.11</b>
Adjustment for :		
(Increase)/Decrease in sundry debtors	<b>(1,16,00,516.90)</b>	(1,43,22,343.96)
(Increase)/Decrease in loans & advances	<b>(73,648.66)</b>	6,17,647.22
Increase/(Decrease) in trade payables and other liabilities	<b>56,44,935.03</b>	37,61,907.85
<b>Cash generated from operations</b>	<b>12,16,64,361.89</b>	<b>7,03,53,293.21</b>
Taxes paid	<b>(4,24,55,162.60)</b>	(3,22,73,033.88)
<b>Net Cash from operating activities ( A )</b>	<b>7,92,09,199.29</b>	<b>3,80,80,259.33</b>
<b>Cash Flow from Investing activities</b>		
Purchase of Fixed Assets	<b>(9,80,446.00)</b>	(3,98,599.00)
Income from Investments	<b>2,51,13,913.00</b>	72,64,905.95
Investment in Bank Deposits	-	9,50,00,000.00
Investment in Yes Bank Bond	<b>(8,00,00,000.00)</b>	(14,00,00,000.00)
<b>Net cash from investing activities ( B )</b>	<b>(5,58,66,533.00)</b>	<b>(3,81,33,693.05)</b>
<b>Cash Flow from Financing activities</b>		
<b>Net cash from financing activities ( C )</b>	-	-
<b>Net cash flows during the year ( A + B + C )</b>	<b>2,33,42,666.29</b>	(53,433.72)
Cash and cash equivalents ( Opening balance )	<b>97,05,093.35</b>	97,58,527.07
<b>Cash and cash equivalents ( Closing balance )</b>	<b>3,30,47,759.64</b>	<b>97,05,093.35</b>
<b>Components of cash and cash equivalents at the end of the year</b>		
Balance with banks	<b>3,30,47,759.64</b>	97,05,093.35
Cash balance in hand	-	-
Less: Deposit with maturity more than 12 months	-	-
<b>Total</b>	<b>3,30,47,759.64</b>	<b>97,05,093.35</b>

Notes on accounts form part of final accounts

Vide my audit report of even date

**Jolly Varghese**, B.Sc., F.C.A

Chartered Accountant

Membership No. 213599

For **Muthoot Insurance Brokers Pvt Ltd**

**George Alexander Muthoot**

Director

**George Jacob Muthoot**

Director

Place: Cochin

Date : 30<sup>th</sup> April 2018

# Notes on Accounts

## 1 Company Background

M/S Muthoot Insurance Brokers Private Limited ("The Company") was incorporated as a private limited company under The Companies Act, 1956 in the state of Kerala on 23<sup>rd</sup> January 2002. The main object of the company is to carry on in the business of insurance including consultancy services relating to insurance and other financial services.

## 2 Significant Accounting Policies

### Accounting Concepts

The financial statements are prepared under the historical cost convention, on accrual basis and are in accordance with the Companies Act, 2013, and comply with Accounting Standards of the said Act and other Generally Accepted Accounting Principles applicable in India.

### Use of Estimates

The preparation of financial statements in conformity with the accounting standards generally accepted in India requires the management to make estimates that affect the reported amount of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statement and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates.

### Revenue Recognition

Revenue is recognized and expenses are accounted on accrual basis with necessary provision for all known liabilities and losses.

### Earnings Per Share

In determining earnings per share, the companies consider the net profit after tax. The number of shares used in computing basic earnings per share is weighted average number of shares outstanding during the year. Diluted earnings per share is computed using weighted average number of basic and dilutive common equivalent shares outstanding during the year, except where the result would be anti-dilutive. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued later.

### Fixed Assets

Fixed assets are stated at actual cost less accumulated depreciation. The actual cost capitalized includes material cost, freight, installation cost and other incidental expenses incurred during the construction /installation

stage.attributable cost of bringing the asset to its working condition for its intended use.

Depreciation is provided at the rates derived based on the useful lives of the assets specified in Schedule II of the Companies Act, 2013 on Written Down Value method.

### Investments

Investments intended to be held for not more than a year are classified as current investments. All other investments are carried at lower of cost or market value/realizable value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in values is made to recognize a decline, other than temporary in the value of the investments.

### Intangible Assets

Intangible assets are recognized in the accounts only if it is probable that the future economic benefits that are attributable to the assets will flow into the company and cost of the assets can be reliably measured.

### Employee Benefits

Company's liability towards employment benefits is charged to revenue on accrual basis. Contributions to defined contribution schemes such as Provident Fund, Employees State Insurance Schemes are charged as incurred

### Taxes on Income

Tax expenses for the current year comprises of current tax and deferred tax (asset or liability). Current taxes are measured at the amounts expected to be paid using the applicable tax rates and tax laws. Deferred tax assets and liabilities are recognized on timing differences between accounting income and taxable income for the period and are measured using rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

### Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date to ascertain impairment based on internal/external factors. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the net selling price of the assets or their value in use. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life. A previously recognized impairment loss is increased or reversed depending on changes in circumstances.

## Notes on Accounts

### **Provisions, Contingent Liabilities And Contingent Assets**

Provisions are recognized only when the company has present or legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the transaction and a reliable estimate can be made for the amount of obligation.

Contingent liability is disclosed for

- i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or
- ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- iii) Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

# Notes on Accounts

for the period ended 31<sup>st</sup> March 2018

Amounts in the financial statements are in Rupees, except for share data and as otherwise stated.

## 3. SHARE CAPITAL

Particulars	(Rs. in Lakhs)	
	As on 31 <sup>st</sup> March 2018	As on 31 <sup>st</sup> March 2017
<b>Authorised</b>		
500,000 Equity Shares of Rs. 10/- each (Previous Year: 500,000 Equity Shares of Rs. 10/- each)	50,00,000.00	50,00,000.00
<b>Issued, Subscribed &amp; Paid up</b>		
10,000 Equity Shares of Rs. 10/- each fully paid. (Previous Year: 10,000 Equity Shares of Rs. 10/- each fully paid)	50,00,000.00	50,00,000.00

### Terms and Rights attached to Equity Shares

- Company is not a subsidiary of any other company and hence no equity shares are held by holding company.
- The Company has only one class of equity shares having par value of Rs.10 per share. All these shares have the same rights and preferences with respect to the payment of dividend, repayment of capital and voting.
- Company has not issued any preference shares.
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The reconciliation of the number of shares outstanding and the amount of share capital as at 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2018 is set out below:

Particulars	Equity Shares	
	Number	Amount
Shares outstanding at the beginning of the year	5,00,000.00	5,00,000.00
Shares issued during the year	-	-
Shares outstanding at the end of the year	5,00,000.00	5,00,000.00

### Disclosure as to the shareholders holding more than 5 percent shares

Sl. No.	Name of Share holder	As on 31 <sup>st</sup> March 2018		As on 31 <sup>st</sup> March 2017	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
1	Muthoot Finance Ltd	5,00,000.00	100.00	5,00,000.00	100.00

## Notes on Accounts

for the period ended 31<sup>st</sup> March 2018

Amounts in the financial statements are in Rupees, except for share data and as otherwise stated.

### 4. RESERVES AND SURPLUS

#### a. Surplus/(Deficit) in the Statement of Profit and Loss

Particulars	(Rs. in Lakhs)	
	As on 31 <sup>st</sup> March 2018	As on 31 <sup>st</sup> March 2017
<b>1) Surplus</b>	<b>16,57,68,375.93</b>	10,56,02,701.62
Balance at the beginning of the year	<b>10,53,90,220.33</b>	6,01,65,674.31
Add: Net Profit for the year		
<b>Closing Balance</b>	<b>27,11,58,596.26</b>	<b>16,57,68,375.93</b>

### 5. OTHER CURRENT LIABILITIES

Particulars	(Rs. in Lakhs)	
	As on 31 <sup>st</sup> March 2018	As on 31 <sup>st</sup> March 2017
PF Payable	<b>1,66,455.00</b>	1,55,578.00
TDS Payable	<b>95,596.00</b>	1,45,010.00
Salary Payable	<b>93,389.00</b>	-
NPS Payable	<b>51,000.00</b>	52,500.00
Electricity Charges Payable	<b>39,183.00</b>	29,985.00
Audit fee payable	<b>28,750.00</b>	28,750.00
Rent Payable	-	23,520.00
ESI Payable	<b>39,479.00</b>	42,584.00
GST Payable	<b>94,08,683.88</b>	-
Service Tax Payable	-	37,99,673.85
Other Advances	<b>5,703.00</b>	5,703.00
<b>Total</b>	<b>99,28,238.88</b>	<b>42,83,303.85</b>

### 6. SHORT TERM PROVISIONS

Particulars	(Rs. in Lakhs)	
	As on 31 <sup>st</sup> March 2018	As on 31 <sup>st</sup> March 2017
a) Income tax payable	<b>68,61,296.94</b>	55,48,937.12
<b>Total</b>	<b>68,61,296.94</b>	<b>55,48,937.12</b>

## Notes on Accounts

for the period ended 31<sup>st</sup> March 2018

Amounts in the financial statements are in Rupees, except for share data and as otherwise stated.

7.

(Rs. in Lakhs)

Particulars	GROSS BLOCK		DEPRECIATION		NET BLOCK	
	Total as on 01.04.2017	Additions 31.03.2018	Up to 01.04.2017	For the year 31.03.2018	WDV as on 31.03.2018	WDV as on 31.03.2017
Plant & Machinery	22,64,544.42	22,64,544.42	21,51,317.20	0.00	1,13,227.22	1,13,227.22
Furniture & Fixtures	64,54,248.58	47,026.00	58,60,686.16	85,192.23	5,55,396.18	5,93,562.41
Electrical Fittings	69,146.00	1,31,765.00	23,297.66	35,110.98	1,42,502.36	45,848.34
Motor Car	9,92,770.00	9,92,770.00	9,43,135.00	0.00	49,635.00	49,635.00
Computer	26,71,865.00	8,01,655.00	23,06,157.87	4,16,311.19	7,51,050.94	3,65,707.13
UPS & Battery	4,76,600.00	4,76,600.00	2,12,260.21	68,398.70	1,95,941.09	2,64,339.79
Air Cooler	4,650.00	4,650.00	4,349.50	36.23	264.28	300.50
<b>Total</b>	<b>1,29,33,824.00</b>	<b>9,80,446.00</b>	<b>1,15,01,203.59</b>	<b>6,05,049.33</b>	<b>18,08,017.07</b>	<b>14,32,620.40</b>
<b>Previous Year</b>	<b>1,25,35,225.00</b>	<b>3,98,599.00</b>	<b>1,10,36,436.51</b>	<b>4,64,767.08</b>	<b>14,32,620.40</b>	<b>14,98,788.49</b>



## Notes on Accounts

for the period ended 31<sup>st</sup> March 2018

Amounts in the financial statements are in Rupees, except for share data and as otherwise stated.

### 8. NON CURRENT INVESTMENTS

Particulars	(Rs. in Lakhs)	
	As on 31 <sup>st</sup> March 2018	As on 31 <sup>st</sup> March 2017
a) Yes Bank- Investment in perpetual subordinated bond	5,00,00,000.00	5,00,00,000.00
b) NCD- Belstar Investment and finance private limited	17,00,00,000.00	9,00,00,000.00
<b>Total</b>	<b>22,00,00,000.00</b>	<b>14,00,00,000.00</b>

### 9. DEFERRED TAX (ASSET) / LIABILITY

Particulars	(Rs. in Lakhs)	
	As on 31 <sup>st</sup> March 2018	As on 31 <sup>st</sup> March 2017
Opening Balance	79,794.59	-22,836.41
Add/(Less): Adjustments for Current Year	78,803.00	1,02,631.00
<b>Total</b>	<b>1,58,597.59</b>	<b>79,794.59</b>

### 10. LONG TERM LOANS & ADVANCES

Particulars	(Rs. in Lakhs)	
	As on 31 <sup>st</sup> March 2018	As on 31 <sup>st</sup> March 2017
<b>A. Other Loans &amp; Advances</b>		
<b>Unsecured-Considered Good</b>		
Rent Deposit	11,60,000.00	11,60,000.00
Electricity deposit	30,186.00	-
Telephone Deposit	2,800.00	-
Shop Advance-Kerala Trade Centre	1,00,000.00	1,00,000.00
<b>B. Bank Deposits with maturity greater than 12 months</b>	<b>10,00,000.00</b>	<b>10,00,000.00</b>
<b>Total</b>	<b>22,92,986.00</b>	<b>22,60,000.00</b>

### 12. TRADE RECEIVABLES

Particulars	(Rs. in Lakhs)	
	As on 31 <sup>st</sup> March 2018	As on 31 <sup>st</sup> March 2017
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured-Considered Good		
Commission receivable from Insu. Companies	3,35,73,714.86	2,19,73,197.96
<b>Total</b>	<b>3,35,73,714.86</b>	<b>2,19,73,197.96</b>

## Notes on Accounts

for the period ended 31<sup>st</sup> March 2018

Amounts in the financial statements are in Rupees, except for share data and as otherwise stated.

### 13. CASH AND EQUIVALENTS

Particulars	(Rs. in Lakhs)	
	As on 31 <sup>st</sup> March 2018	As on 31 <sup>st</sup> March 2017
<b>Cash and Cash Equivalents</b>		
a. Cash on hand	-	-
b. Balances with banks		
ICICI-Bank	4,17,570.24	1,81,182.24
ICICI-Bank	12,675.43	12,675.43
Dhanlekshmi Bank	1,12,209.36	5,66,397.36
South Indian Bank	3,25,05,304.61	89,44,838.32
<b>Total</b>	<b>3,30,47,759.64</b>	<b>97,05,093.35</b>

### 14. OTHER CURRENT ASSETS

Particulars	(Rs. in Lakhs)	
	As on 31 <sup>st</sup> March 2018	As on 31 <sup>st</sup> March 2017
Interest Receivable	16,85,028.67	44,92,499.00
Income Tax Refund Due	4,57,092.00	4,57,092.00
GST Input Tax	41,556.44	(0.22)
Sundry Advances	7,137.00	8,031.00
<b>Total</b>	<b>21,90,814.11</b>	<b>49,57,621.78</b>

### 15. REVENUE FROM OPERATIONS

Particulars	(Rs. in Lakhs)	
	Period ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
Commission Received	15,93,01,066.03	10,79,40,836.93
<b>Total</b>	<b>15,93,01,066.03</b>	<b>10,79,40,836.93</b>

### 16. OTHER INCOMES

Particulars	(Rs. in Lakhs)	
	Period ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
Interest Income	1,24,042.30	67,46,353.95
Income From Investments	2,21,82,400.37	17,29,452.00
<b>Total</b>	<b>2,23,06,442.67</b>	<b>84,75,805.95</b>

## Notes on Accounts

for the period ended 31<sup>st</sup> March 2018

Amounts in the financial statements are in Rupees, except for share data and as otherwise stated.

### 17. EMPLOYEE BENEFIT EXPENSES

Particulars	(Rs. in Lakhs)	
	As on 31 <sup>st</sup> March 2018	As on 31 <sup>st</sup> March 2017
Salary & Allowances to Staff	2,48,94,312.00	2,10,75,199.00
Contribution to Provident Fund	10,07,248.00	9,66,388.00
ESI Contribution	3,62,395.00	2,51,387.00
Staff Welfare Expenses	1,29,570.00	1,80,074.00
<b>Total</b>	<b>2,63,93,525.00</b>	<b>2,24,73,048.00</b>

### 18. OTHER EXPENSES

Particulars	(Rs. in Lakhs)	
	Period ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
Audit fee	28,750.00	28,750.00
Bank charges	3,288.16	10,268.60
Business Promotion Expenses	8,106.00	2,210.00
Electricity Charges	5,54,472.00	5,17,707.00
Advertisement	5,974.00	-
Establishment Charges	4,75,704.00	1,99,765.00
Insurance Charges	5,78,797.00	3,13,967.00
Legal Charges	5,36,802.00	6,17,288.00
Printing & Stationery	1,25,210.00	1,05,051.00
Postage & Telegrams	2,06,274.48	1,52,561.34
Rent paid	4,78,080.00	3,08,896.00
CSR Expense	10,00,000.00	6,00,000.00
Repairs & Maintenance	1,42,498.30	1,54,818.00
Software Maintenance Charges	87,900.00	1,05,525.00
Rates and Taxes	85,797.31	7,76,632.00
Travelling & Conveyance	1,73,728.00	2,43,711.00
Telephone & Internet charges	5,88,293.37	8,58,767.88
Taxes & License fee	1,30,820.00	1,66,551.00
Water charges	3,454.00	9,238.00
<b>Total</b>	<b>52,13,948.62</b>	<b>51,71,706.82</b>

# Notes on Accounts

for the period ended 31<sup>st</sup> March 2018

Amounts in the financial statements are in Rupees, except for share data and as otherwise stated.

## 19. EARNINGS PER SHARE

As per the Accounting Standard 20, Earnings Per Share is calculated by dividing the profit attributable to equity share holders by the weighted average number of equity shares outstanding during the year. The numbers used in calculating the basic and diluted earnings are stated below:

Particulars	(Rs. in Lakhs)	
	Figures as at 31 <sup>st</sup> March 2018	Figures as at 31 <sup>st</sup> March 2017
Net Profit / ( Net Loss) after taxation for the year	10,53,90,220.33	6,01,65,674.31
Weighted Average Number of Equity Shares outstanding during the year	5,00,000.00	5,00,000.00
Adjusted Face Value Per Share	Rs.10	Rs.10
<b>Earnings Per Share</b>	<b>210.78</b>	<b>120.33</b>

**20.** Disclosure of Related party transaction in accordance with Accounting Standard (AS 18) " Related Party Disclosure" issued by The Institute of Chartered Accountants of India.

### (a) Names of Related Parties :-

Category	Name of the Related Party
Key Management Personnel ( KMP )	George Alexander Muthoot
	George Jacob Muthoot
	George M George
	Alexander M George
	George M Alexander
Relatives of Key Management Personnel	Eapen Alexander s/o George Alexander Muthoot
	Anna Alexander w/o George Alexander Muthoot
	Mihika Mathew Alexander w/o Alexander M George
	Theresa Joseph w/o George M George
	George Thomas Muthoot B/o George Alexander and George Jacob Muthoot
	George Mathew Muthoot B/o George Alexander and George Jacob Muthoot
	Leela Zachariah S/o George Alexander and George Jacob Muthoot
	M G Geroge f/o Geroge M George and Alexander M Geroge
	Sara Geroge m/o Geroge M George and Alexander M Geroge
	Elizabeth Jacob w/o George Jacob Muthoot
	George M. Jacob s/o George Jacob Muthoot
	Reshma Susan Jacob d/o George Jacob Muthoot
	Radhika Geroge Varghese w/o George M Alexander
Holding company	Muthoot Finance Ltd
Fellow subsidiaries	Asia Asset Finance PLC
	Belstar Investment And Finance Private Limited
	Muthoot Homefin (India) Limited
Entities over which KMP and their Relatives are able to exercise significant influence (with whom transactions has taken place)	Nil

# Notes on Accounts

for the period ended 31<sup>st</sup> March 2018

Amounts in the financial statements are in Rupees, except for share data and as otherwise stated.

## (b) Transactions with Related Parties during the period ended 31.03.2018

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Holding company		Fellow subsidiaries		Entities over which KMP and their relatives are able to exercise significant influence	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Purchase of Investments from Muthoot Finance Ltd	-	-	-	-	1,02,09,589.00	14,28,87,671.00	7,00,00,000.00	-	-	-
NCD Interest from Belstar Investment And Finance Private Limited	-	-	-	-	-	-	1,73,55,619.00	33,28,767.00	-	-
Rent paid	-	-	-	-	1,99,200.00	-	-	-	-	-

## (c) Net amount Receivable / ( Due ) as at the period end:

Particulars	Key Management Personnel		Relatives of Key Management Personnel		Holding company		Fellow subsidiaries		Entities over which KMP and their relatives are able to exercise significant influence	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Belstar Investment and Finance Private Limited- NCD	-	-	-	-	-	-	17,00,00,000	9,00,00,000.00	-	-
Belstar Investment and Finance Private Limited- NCD Interest Receivable	-	-	-	-	-	-	-	29,95,890.00	-	-

**21.** Previous year's figures have been regrouped / rearranged, wherever necessary to conform to current year's classifications / disclosure.

Vide my audit report of even date

**Jolly Varghese**, B.Sc., F.C.A

Chartered Accountant

Membership No. 213599

Place: Cochin

Date : 30<sup>th</sup> April 2018

For **Muthoot Insurance Brokers Pvt Ltd**

**George Alexander Muthoot**

Director

**George Jacob Muthoot**

Director







Registered Office :  
**Muthoot Insurance Brokers Pvt. Ltd.**  
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