

Motilal Oswal Financial Services Limited
CIN: L67190MH2005PLC153397
Regd. Off.: Motilal Oswal Tower,
Rahimtullah Sayani Road,
Opp. Parel ST Depot,
Prabhadevi, Mumbai – 400025
Board: +912271934200/4263
Fax: +91 22 5036 2365

July 8, 2019

BSE Limited
P. J. Towers,
Dalal Street, Fort,
Mumbai - 400001
Security Code: 532892

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai - 400051
Symbol: MOTILALOSFS

Sub: Annual Report of the Company for the FY 2018-19 along with Notice of the Fourteenth Annual General Meeting and intimation of Record Date for Final Dividend

Dear Sir/Madam,

We wish to inform the Exchange that the Fourteenth Annual General Meeting ("the AGM") of the Members of the Company will be held on Wednesday, July 31, 2019 at 4.00 p.m. at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai - 400025.

Further, pursuant to the Provisions of Regulation 34 (1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed herewith the copy of the Annual Report for the FY 2018-19 along with Notice of AGM.


Further, pursuant to the provisions of Regulation 42 of the Listing Regulations, the Company has fixed Thursday, July 25, 2019 as the Record Date for the purpose of determining the Members eligible to receive Final Dividend of Rs. 4.50/- per equity share for the FY 2018-19, recommended by the Board of Directors of the Company.

The Final Dividend, if approved by the Members at the ensuing AGM will be paid on or before August 29, 2019.

Kindly take the same on record.

Thanking you,

Yours faithfully,
For Motilal Oswal Financial Services Limited



Kailash Purohit

Company Secretary & Compliance Officer
Encl.: As above

EQUITY EXPERTS
FOR OVER
30
YEARS

MOTILAL OSWAL

ANNUAL REPORT 2018-19



**DEEPER THE ROOTS
GREATER THE FRUITS**



DEEPER THE ROOTS GREATER THE FRUITS

At Motilal Oswal, we have strived to build a strong base for every business. It's this foundation that provides the launch pad for sustained growth. Be it people, products or processes, we have embibed each business with a strong foundation that will bear fruits in this year and years to come.



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MESSAGE FROM THE CHAIRMAN



Mr. Motilal Oswal

Chairman, Managing Director &
Chief Executive Officer, MOFSL

Dear Shareholders,

The nature of FY2019 remained volatile and challenging for the overall markets with various macro-level headwinds like NBFC liquidity crisis, uncertainties at the political platform and cross-border tensions. As a result, the overall sentiment weighed heavily on the activities at capital market levels. However, the alleviation of the issues resulted in a pick-up of activity in the last leg of FY2019. Going forward, the fruition of long-term benefits of GST and demonetisation, smoothening of liquidity issues in conjunction with political stability will bring the sweet spot back for the markets. Despite such challenges during the year, our company withstood the volatility with some market-driven impacts and continued to march towards achieving linearity in the business. We continue to remain optimistic on the growth potential of all our business verticals given the robust fundamental

structure and revival in macro-conditions. Our company underwent Ind-AS transition during the year due to which the financial performance has accounted a MTM un-realised gain/loss. Our consolidated revenues for FY2019 stood at ₹ 2,468 crores with PAT of ₹ 298 crores including the share of associates. Our PAT of ₹ 298 crores in FY2019 was lower on YoY basis mainly on account of higher provisions and write-offs in our Housing Finance Business and lower MTM on fund-based investments as per Ind-AS. On account of the same, our ROE stands lower on YoY basis at 10%. Going forward, our focus on knowledge, talent, processes, technology, brand, culture and inter-segment synergies will pave the road for achieving milestones across all business verticals.

Our Asset Management business continued to gain traction despite regulatory changes during the year. Our AMC AUM, which includes MFs, PMS and AIFs stood at ₹ 38,893 crores at the end of FY2019. During the year, the asset management companies were exposed to various regulatory changes like the ban on upfront fee, change in direct TERs for MF (from October 23, 2018), and slab-wise TER changes (from April 1, 2019 (FY2020)). Our AMC business has always been the promoter of trail-based model and hence, the ban on upfront fee structure has been in our favour. With respect to the direct TER changes, we have accounted for the same and taken ~10bps impact on our MF TER. Coming to the slab-wise TER changes, the effect of which will be seen in FY2020, we do not foresee any material impact as our AUM is well positioned with 50% of it consisting of alternative assets (PMS and AIFs) as against industry dynamics. Also, the majority of the impact has been passed on to the distributors. Overall, we believe the customer-friendly regulatory changes will benefit the AMC industry in the long term. Our Private Equity funds have been successful in delivering robust IRRs adding to the profitability and potential scalability of the business. During the year, PE AUM has witnessed strong growth of 36% YoY to reach ₹ 6,370 crore led by the successful fund-raising of IBEF -3 and IREF-4 fund. Our carry income in this business was significantly low on YoY basis as we did not book any major exit during the year (unlike FY2018). Also, our Wealth Management Business has been successful in adding new families with AUM growth of 19% at ₹ 17,464 crores. With the improvement in the vintage of RMs, the profitability of our Wealth Management Business is poised for further traction.

On the capital markets front, the suppressed sentiments and dip in FII and DII flows for majority of the year had an impact on primary and secondary markets. Despite such headwinds, we were successful in adding 1.5 lakh clients taking the total retail client base to ~12 lakh. Also, we protected the margins led by our flexible cost structure and trail based distribution model which

supports this cyclical business in such down-cycles. Our distribution AUM has gained traction and reached ₹ 9,572 crore, (+27% YoY) and has huge headroom for growth as the client penetration stands at ~16% of our retail client base. In the Institution Business, our rankings and clientele continued to remain robust. The Investment Banking business during the year remained under pressure as primary market activities almost dried up as companies put their capital raising plans on hold. Given the robust pipeline, we believe the business will start showing results post the pick-up in markets.

On our Housing Finance Business, our efforts were concentrated in building a newer version of business with alignment of processes remaining the utmost priority. Our senior management team with all functional heads (Risk, Credit, Technical, Legal and Collections) is now in place. We have made a capital infusion of ₹ 200 crore during the year which is testimony to the conviction we have on our revival efforts. We have verticalised the organizational structure with independent sales, credit, collection and legal team. During the year, we have written off loans worth ₹ 290 crore to eliminate most of the doubtful assets. After implementing several changes in Aspire along with parent support, it has now culturally aligned with MOFSL group. Hence, we have changed the name from “Aspire Home Finance” to “Motilal Oswal Home Finance” which will yield multiple benefits. Going forward, our focus will continue to make our Housing Finance Business a turn-around story. In our fund based businesses (comprising of sponsor commitments to quoted equity and private equity funds), most of the gains are still unrealized and yet to be booked in our reported P/L. As per IND-AS, these gains are a part of our reported earnings. Our QGLP philosophy, niche expertise in equities, proven track record and belief in ‘skin in the game’, augurs well for our fund based business.

Some of the key highlights of FY2019 include 36% growth in PAT of Asset Management Business, 18% growth in PAT of Broking Business, 27% growth in Distribution Business AUM, return of profits with no write-offs for Aspire Home Finance in Q4FY2019, name change of Home Finance Business to “Motilal Oswal Home Finance”, maintained dividend and increased payout to 50% of profits despite lower PAT.

Our strategy to diversify our business model towards linear sources of earnings has shown results with the bulk of the revenue pie now coming from the new businesses. Our Asset and Wealth Businesses are now the largest contributor to profits and ahead of the Capital Market businesses for the first time. Going forward, with expectations of profits from our efforts in Housing Finance and scalability of other businesses, we remain excited for the future prospects of the company.

At a macro level, global markets continue to remain positive on India as an investment theme. There have been some positive trends recently with stabilization in some macro indicators and outcome of elections. Also, the growing demand for affordable housing stands positive for our business. Sustenance of macros at reasonable levels augurs well for our business and industry as a whole. As these macro trends open up opportunities, our experience and emphasis on ‘Knowledge First’ give us the ability to capture these growth prospects.

With best wishes,



Sincerely,
Motilal Oswal
Chairman, Managing Director & CEO
Motilal Oswal Financial Services Ltd.



BOARD OF DIRECTORS



MOTILAL OSWAL
Chairman, Managing Director
& Chief Executive Officer



RAAMDEO AGARAWAL
Joint Managing Director



NAVIN AGARWAL
Managing Director
(Appointed w.e.f. August 21, 2018)



VIVEK PARANJPE
Independent Director



PRAVEEN TRIPATHI
Independent Director



SHARDA AGARWAL
Independent Director



REKHA SHAH
Independent Director
(Appointed w.e.f. August 21, 2018)

Kailash Purohit

Company Secretary and Compliance Officer

Statutory Auditors

M/s Walker Chandok & Co. LLP, Chartered Accountants

Internal Auditors

M/s. Aneja Associates

Registrar and Share Transfer Agent

Link Intime India Private Limited.

C - 101, 247 Park, L.B.S. Marg, Vikroli (West), Mumbai - 400083

E-mail: rnt.helpdesk@linkintime.co.in

Registered Office

Motilal Oswal Financial Services Limited

Regd. Office: Motilal Oswal Tower, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai – 400025.

CIN: L67190MH2005PLC153397

Website: www.motilaloswalgroup.com

Board: +91 22 7193 4200 / 4263

Fax: +91 22 5036 2365

Email: shareholders@motilaloswal.com

Motilal Oswal Securities Limited (“MOSL”) has been amalgamated with Motilal Oswal Financial Services Limited (“MOFSL”) w.e.f. August 21, 2018, pursuant to the order dated July 30, 2018 issued by Hon’ble National Company Law Tribunal, Mumbai Bench.

MOFSL Registration Nos.: INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412. AMFI: ARN -146822; Investment Adviser: INA000007100; Insurance Corporate Agent: CA0579, PMS: INP000006712



KEY PEOPLE

Capital Market Businesses



AJAY KUMAR MENON
CEO, Broking & Distribution Business,
Whole-time Director, MOFSL
(Appointed w.e.f. August 21, 2018)



RAJAT RAJGARHIA
CEO, Institutional Equities
Business



GIRISH NADKARNI
CEO, Investment Banking
Business

Asset & Wealth Management Businesses



AASHISH P SOMAIYAA
CEO, Asset Management Business



VISHAL TULSYAN
Managing Director & CEO,
Private Equity Business



VIJAY KUMAR GOEL
CEO, Private Wealth
Management Business

Housing Finance Business



MR. SANJAY ATHALYE
Managing Director & CEO



RAMNIK CHHABRA
Group Head, Marketing



SUDHIR DHAR
Group Head, Human Resources
& Administration



PANKAJ PUROHIT
Group Head,
Information Technology

Support Functions

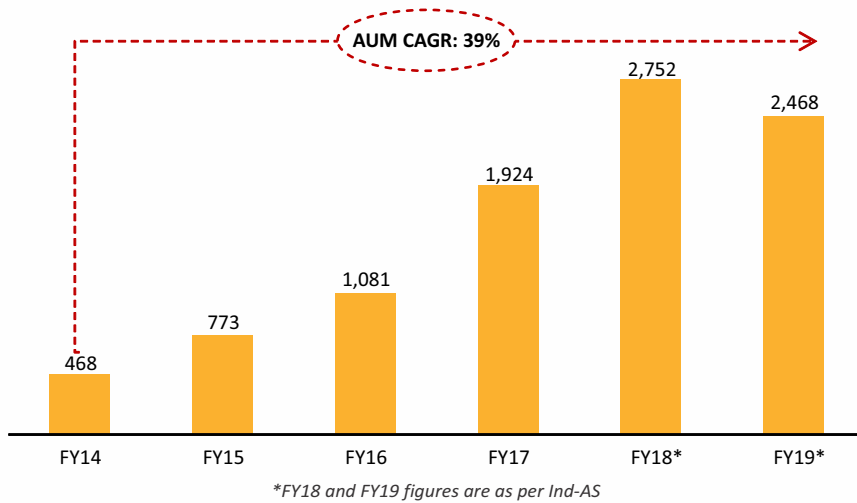


SHALIBHADRA SHAH
Chief Financial Officer

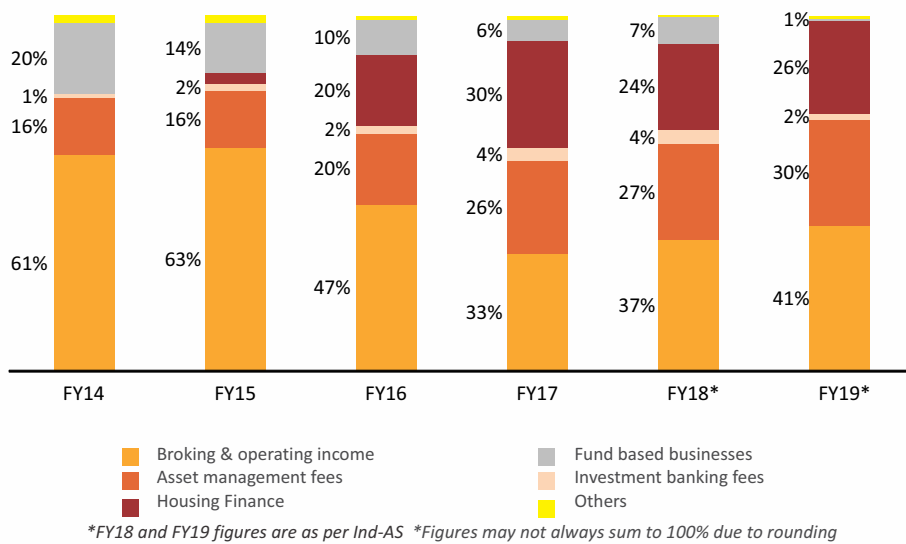


PERFORMANCE AT A GLANCE

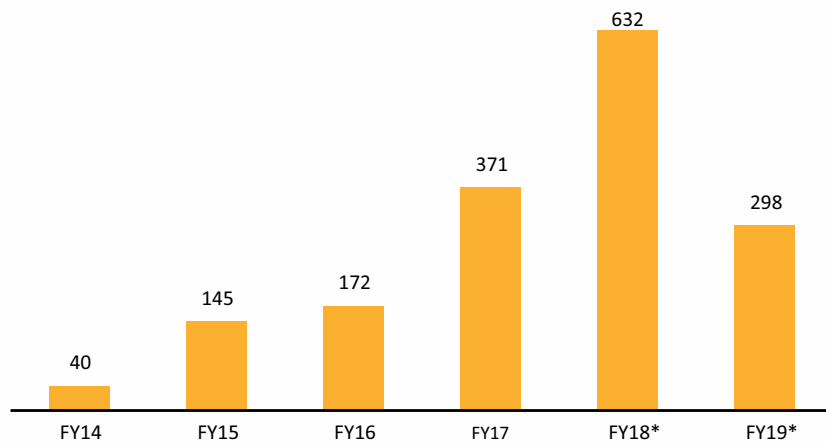
Consolidated Revenue (₹ Crore); & 5-Year CAGR



Revenue Composition %

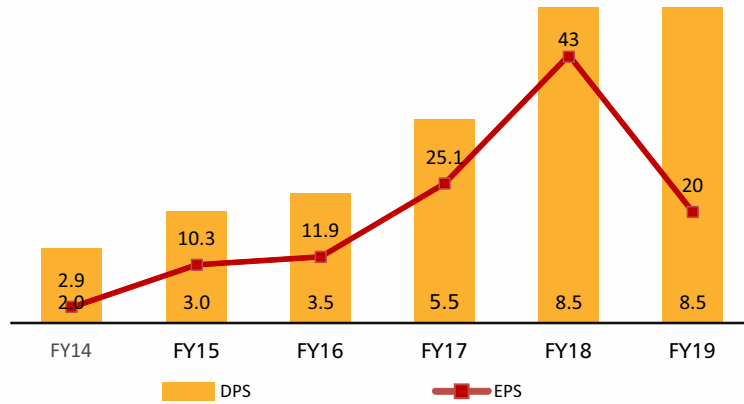


PAT Trend (₹ Crore)

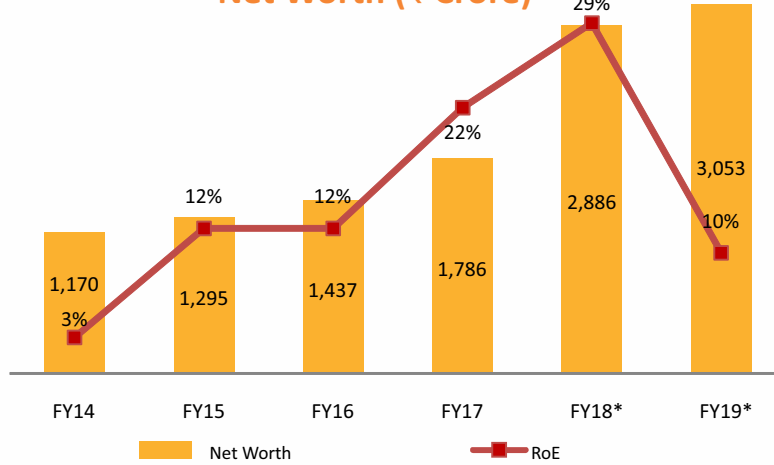


*FY18 and FY19 figures are as per Ind-AS
 PAT for FY19 was down YoY mainly on account of lower MTM gains as per Ind-AS and higher discretionary write-offs in Aspire

Dividend & Earning per Share (₹)

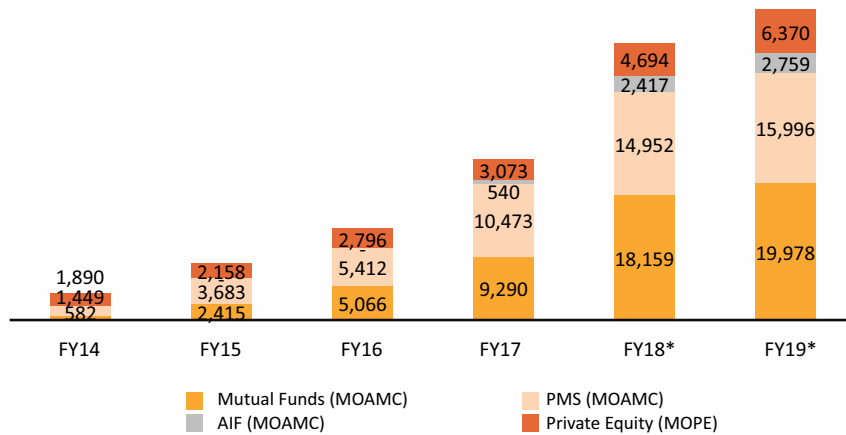


Net Worth (₹ Crore)



*FY18 and FY19 figures are as per Ind-AS

Assets under Management / Advice (₹ Crore)



*FY18 and FY19 figures are as per Ind-AS



BUSINESS SNAPSHOT

Broking & Distribution

- Total retail client base rose to 11,99,923 with a CAGR of 13% from FY15-19
- Client acquisition stood at ~1,50,000 during the year and has maintained the trend in the last two years
- Financial product distribution AUM was ₹ 9,572 crores as of Mar 2019, up 27% YoY with only 16% on total client base and ~20% of our distribution network tapped
- Research and advisory continue to be the differentiators of Broking Business

Institutional Equities

- No.1 ranking in events, conference and roadshows in Asia Money 2018 ranking
- No. 3 in three research categories, sales trading and overall sales in Asia Money 2018 ranking
- Research product portfolio of 250+ companies which generated 750+ reports
- Launched our 1st Annual Edition of “India Ideation Conference” in 2019
- Continued our successful trend in conducting ‘AGIC’ which had a highest ever participation of 1100 clients with 110 from offshore base

Investment Banking

- Successfully executed marquee transactions like acquisition of Aurangabad Electricals by Mahindra CIE
- Other key deals included PE advisory services to Happy Forgings (₹ 2 bn), QIP of HDFC Bank (₹ 28 bn), IPO of Indostar (₹ 18.4 bn), preferential issue of AU Small Finance Bank (₹ 10 bn) and OFS for LTI (₹ 18 bn)

Asset Management

- Public market AUM was ₹ 38,893 crores as of Mar 2019, up 9% YoY
- Mutual fund AUM was up 10% YoY to ₹ 19,979 crores, PMS AUM was up 7% YoY to ₹ 15,996 crores and AIF AUM was ₹ 2,759 crores
- Annual run-rate of SIP at the end of FY2019 was ₹ 20 bn.
- Rank in Equity AUM improved to 11 from 14 two years ago. We continued to remain the market leader in PMS industry
- Robust foundation of QGLP philosophy
- Strong brand creation

Private Equity

- PE AUM stood at ₹ 6,370 crores, +36% YoY across three growth capital funds and four real estate funds
- Growth capital funds have been successful in gaining investors’ confidence with stellar returns over the years
- IBEF I has delivered a portfolio XIRR of 27% and is expected to return ~6x MoC (Multiple of Cost)

- Fund II has committed 100% across 11 investments so far after raising commitments from marquee institutions. Exits from fund will contribute to the profits, going forward
- Fund III was launched in FY2018 which, after exhausting its green-shoe option, stands fully raised at ~₹ 2,300 crores. Fund III has already deployed ~₹ 820 crores across 4 investments and has a robust deal pipeline for investments going forward
- IREF I has fully exited from all 7 investments, translating into ~118% capital returned to investors
- IREF II is fully deployed across 14 investments. The Fund has secured 7 complete exits and 1 structured exit and has returned money equalling ~107.5% of the Fund Corpus back to the investors
- Average IRR on exited investments is ~21.3%. IREF III is ~89% deployed across 20 investments. The Fund has secured 3 full exits and has returned money equalling ~17.73% of Investible Funds back to the investors
- IREF IV launched with a target size of ₹ 12 bn has achieved 2nd close at ~₹ 8.5 bn

Wealth Management

- Wealth AUM grew 18.7% YoY from ₹ 14,713 crores to ₹ 17,463 crores during FY2019
- Net sales remained stable at ₹ 2,364 crores despite volatile market conditions
- Client acquisition witnessed encouraging growth with number of families increasing 19% YoY to 3,719
- Investment in RM continues with 30% rise in average RM count taking total RM count to 126
- Trail based model since inception has kept the business immune from any regulatory changes

Housing Finance

- Senior management team with all functional heads (Risk, Credit, Technical, Legal, Collections) is now in place
- Organisation structure has been altered from a branch banking model to a vertical organisation with strong checks and balances to pursue healthy growth
- Name changed from 'Aspire Home Finance Corporation Ltd' to 'Motilal Oswal Home Finance Ltd' with effect from 28th May, 2019
- Limited borrowing repayments till March 2020, equity infusion, strong undrawn borrowing lines and ALM place us in a comfortable liquidity situation
- Strong improvement in collection efficiency and strong performance witnessed in new book sourced in FY2019 with zero delinquencies
- Asset quality deterioration in FY2019 was on account of seasoning of legacy portfolio. However, proactive clean-up of the legacy book, expected positive trends in disbursements in coming years along with improvement in collection efficiency, augur well for future asset quality and profitability outlook

*All data as of Mar 2019



5-YEAR PERFORMANCE HIGHLIGHTS

CONSOLIDATED FINANCIAL PERFORMANCE OF MOTILAL OSWAL FINANCIAL SERVICES LIMITED

(₹ in Lacs)

Year Ended March 31	2019	2018	2017	2016	2015
Total Income	246,823	275,234	192,362	108,064	77,272
Total Expenditure	208,384	192,326	139,012	85,610	57,711
Profit before Exceptional Item and Tax	38,439	82,908	53,350	22,454	19,561
Exceptional Item Income/(Expenses)	-	-	-2,788	-	-
Profit Before Tax	38,439	82,908	50,562	22,454	19,561
Tax Expenses	9,407	20,586	14,109	6,122	5,234
PAT before Associates,OCI & Minority Interests	29,032	62,322	36,453	16,332	14,327
Share of profit from associates (net of taxes)	798	906	604	831	222
PAT before OCI & Minority Interests	29,830	63,228	37,057	17,163	14,549
Other comprehensive income	-290	11,122	-	-	-
Profit after Tax before Minority Interests	29,540	74,350	37,057	17,163	14,549
Minority Interests Profit	435	1,002	1,060	255	190
Profit after Tax & Minority Interests	29,105	73,348	35,997	16,908	14,359
Paid up Equity Capital	1,457	1,451	1,445	1,422	1,402
Net Worth	305,344	288,590	178,603	143,651	129,486
Book Value Per Share	209.60	198.91	123.64	101.04	92.38
Basic EPS (₹)	20.21	43.00	25.14	11.94	10.34
Diluted EPS (₹)	19.67	42.32	24.79	11.74	10.10

Note:

The Group has adopted Indian Accounting Standards (Ind AS) with effect from 1 April 2018 and the effective date of such transition is 01 April 2017, with comparative figures being restated to make them comparable. The figures of the financial year ended 31 March 2019 and 31 March 2018 are in IndAS whereas figures for the financial year ended 31 March 2017, 31 March 2016 and 31 March 2015 are in Indian GAAP, hence not comparable.



Financial Statements



Dear Members,

The Directors of your Company have the pleasure in presenting the Fourteenth Board's Report together with the Audited Financial Statements for the financial year ended March 31, 2019.

Financial Results

The summary of the Company's financial performance, both on a consolidated and standalone basis, for the Financial Year ("FY") 2018-19 as compared to the previous FY 2017-18 is given below:

Particulars	Consolidated		Standalone	
	2018-19	2017-18	2018-19	2017-18
Total Revenue	2,46,823	2,75,234	1,24,869	1,35,897
Profit before Interest, Depreciation, Taxation and exceptional items	92,519	1,39,500	51,579	62,812
Less: Interest	51,685	52,843	10,428	9,288
Depreciation	2,395	3,749	1,801	2,942
Profit before Taxation	38,439	82,908	39,350	50,582
Add/(Less): Provision for Taxation				
Current Tax	18,426	18,797	8,914	8,590
Deferred Tax	(8,958)	1,984	(1,927)	1,287
Minimum Alternate Tax	–	–	–	530
Less: Tax for earlier year(s)	(61)	(195)	–	267
Total Tax Expenses	9,407	20,586	6,987	10,674
Profit after Tax from continuing operations	29,032	62,322	32,363	39,907
Loss from discontinuing operations before tax	–	–	(186)	892
Tax on discontinuing operations	–	–	54	312
Loss from discontinuing operations after tax	–	–	(132)	(580)
Share of profit from associates (net of taxes)	798	906	–	–
Profit for the period	29,830	63,228	32,231	39,327
Add/(Less): Other Comprehensive Income (OCI)				
Actuarial gain/loss	190	617	34	472
Fair value gain/(loss) of investment held through FVOCI	(470)	10,470	(737)	10,470
Tax on OCI	(10)	35	74	84
Total Comprehensive Income	29,540	74,350	31,603	50,353
Net profit attributable to:				
Owners of parent	29,397	62,228	–	–
Non-controlling interests	433	1,000	–	–
Add: Balance brought forward from previous year	1,86,081	1,39,282	1,67,001	1,30,336
Profit Available for appropriation	2,15,478	2,01,510	31,603	50,353
Less: Appropriations				
Transfer to Statutory Reserve	(42)	(3,879)	–	(2,594)
Transfer to Capital Redemption Reserve	(245)	(191)	–	–
Interim Dividend/Proposed dividend	(5,956)	(5,789)	(12,375)	(10,210)
Dividend Distribution Tax	(2,733)	(966)	(1,048)	(884)
Minority Balance Sheet Effect	(928)	(264)	–	–
Balance of Profit carried forward	1,99,025	1,86,081	1,85,181	1,67,001

Financial Performance

Standalone

The standalone revenues in FY19 stood at ₹ 1,249 crores vs ₹ 1,359 crores in FY18. Total expenses (before interest and depreciation) for the year came in at ₹ 733 crores which remained flattish over previous year. People cost increased marginally by 2.8% to ₹ 279 crores. Operating expenses declined by 4.5% to ₹ 318 crores. Other costs were ₹ 135 crores, an increase of 14% over previous year. The profit before depreciation, interest, exceptional items and taxation (EBITDA) stood at ₹ 516 crores. Reported net profit for the year came in at ₹ 322 crores.

Consolidated

The consolidated revenues for the year were ₹ 2,468 crores for the year FY 2018-19 under review, a decrease of 10% as compared to the previous year.

- Broking and related income remained flat YoY at ₹ 1,011 crores. The average daily traded volumes (ADTO) for the equity markets during FY2019 stood at ₹ 9.93 lakh crores, up 46% YoY from 6.79 lakh crores in FY2018. The overall Cash market ADTO reported growth of 7% YoY at ₹ 35,180 crores in FY2019. However, the absolute growth was affected due to decrease in delivery, which saw de-growth of 8.2% YoY to ₹ 8,854 crores v/s 26% growth in FY2018. Within derivatives, futures volume rose 9.7% YoY to ₹ 87,564 crores while options rose 54% YoY to ₹ 8.70 lakh crores. Amongst cash market participants, retail constitutes 53% of total cash volume, institution constitutes 25% of total cash volume and prop constitutes 20%. Within institution, DII cash volumes increased 6% YoY to 3,627 crores vs 51% in the previous year, reflecting the lull market sentiments during the year. The proportion of DII in the cash market remained constant at 10.4%. Due to our continued focus and investments into this business; we succeeded in capturing a larger chunk of the incremental volumes this year across both cash and derivatives. As of Mar 2019, The company had more than 11,99,923 retail broking and distribution clients growing at a CAGR of 13% from FY15-19. The client acquisitions stood at ~1,50,000 during the year and has maintained the trend in last two years. Our Pan-India distribution reach stood at 2,500+ business locations across 588 cities. The distribution revenues now contribute ~14.5% of the gross broking income with continual increase in distribution AUM. Our financial product distribution AUM was ₹ 9,572 crores as of Mar 2019, up 27% YoY with net sales of ₹ 1,716 crores in FY2019.
- Investment banking fee saw a decline over the previous year, to ₹ 38 crores. The overall market volatility caused due to various issues like liquidity crisis, cross-border tensions, global trade war concerns kept the IPO & QIP transactions muted during the year. The pipeline remains robust and is likely to fructify with the ease in market.
- Asset management income continued to gain traction, increasing 9% YoY to ₹ 590 crores, as compared to last year. Total assets under management / advice across mutual funds, PMS and private equity businesses was ₹ 38,893 crores, up 9% YoY. Within this, the mutual fund AUM was up 10% YoY to ₹ 19,979 crores, PMS AUM was up 7% YoY to ₹ 15,996 crores and AIF AUM was ₹ 2,759 crores. The company saw increased mobilization into its open-end equity mutual fund products and PMS products.
- In the private equity business, the 4th real estate fund was launched with the target size of ₹ 1,200 crore and has made 2nd close at ₹ 850 crore. The private equity income excluding the share of lumpy profits on investment exits stood at ₹ 98 crores, up 92% YoY. The income from wealth management business stood at ₹ 47 crores, up 29% YoY. The wealth management AUM continued to attract assets with closing AUM for FY19 at ₹ 17,464 crores
- Housing finance related gross income largely remained flat at ₹ 648 crores as the efforts were concentrated to improve the processes and the structure of the business. The focus was more on improving the asset quality and risk management. HFC loan book was ₹ 4,357 crores, as of March, 2019
- Fund based income stood at ₹ 22 crores. In line with the long term strategy to grow Return on Equity sustainably, MOFSL made strategic allocation of capital to long term RoE enhancing opportunities like Aspire Home Finance and sponsor commitments to mutual fund and private equity funds of MOFSL group. The NBFC loan book, previously run from equity capital, is now being run as a spread business. The year also included profit earned on exits in the Private Equity fund in which MOFSL made sponsor commitments.

Total expenses (before interest and depreciation) for the year at ₹ 1,543 crores registered a 14% jump over previous year. People cost increased marginally by 2% to ₹ 502 crores. Operating expenses declined by 6% to ₹ 462 crores. Other costs were ₹ 515 crores, an increase of 74% over previous year. The profit before depreciation, interest, exceptional items and taxation (EBITDA) stood at ₹ 925 crores. Reported net profit for the year came in at ₹ 298 crores.

The detailed results of operations of the Company are given in the Management Discussion & Analysis forming part of the Annual Report.

Future Outlook

Our strategy to diversify our business model towards more annuity sources of earnings is showing definite results. The annuity nature of earnings in the new businesses like asset based businesses and housing finance business has brought in visibility of our earnings. Our businesses have stood strong in the volatile year of FY2019 while maintaining operating parameters. Our brand is now being recognized across each of our businesses. We achieved a 10% ROE in FY2019, and are well on course to improve this on a sustainable basis. The opportunity size in all our business segments is still huge, and our businesses are well placed to benefit from the growth potential they offer.

Consolidated Financial Statement

As per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules issued thereunder (as amended from time to time), the Consolidated Financial Statement of the Company for the FY 2018-19 have been prepared in compliance with applicable Indian Accounting Standards and on the basis of Audited Standalone Financial Statement of the Company and its subsidiaries, as approved by the respective Board of Directors.

The Consolidated Financial Statement together with the Auditors' Report forms part of the Annual Report.

Information on the State of Affairs of the Company

The Information on the affairs of the Company is given in the Management Discussion & Analysis Report forming part of the Annual Report.

Material Changes and Commitments

During the year under review, pursuant to Order dated July 30, 2018, the Board of Directors of the Company at its meeting held on August 21, 2018 has made the Scheme of Amalgamation of Motilal Oswal Securities Limited ("Transferor Company/wholly owned subsidiary company") with Motilal Oswal Financial Services Limited ("Transferee Company/the Company") and their respective shareholders ("Scheme"), effective from August 21, 2018.

De-Registration as Non-Banking Financial Company

Prior to amalgamation, the Company was registered as Systemically Important Non-Banking Financial Company ("NBFC") under Section 45-IA of the Reserve Bank of India Act, 1934.

The Company had made an application for surrender of Certificate of Registration ("CoR") with Reserve Bank of India ("RBI") and transferred its lending business to Motilal Oswal Finvest Limited (erstwhile Motilal Oswal Capital Markets Limited) as a going concern via slump sale. The RBI vide its order dated March 14, 2019 approved the cancellation of CoR held by the Company.

Further, subsequent to Scheme becoming effective, the Company is undertaking the broking business as its principal business activity.

Dividend

The Board of Directors of the Company has approved the Dividend Distribution Policy ("Policy") in line with the requirements of Listing Regulations (as amended from time to time). The Policy is appended as "**Annexure 1**" to the Annual Report and is also been uploaded on the Company's website at <http://www.motilaloswalgroup.com/Downloads/IR/28010529Dividend-Distribution-Policy.pdf>.

The Board of Directors of the Company at its meeting held on January 16, 2019, had declared and paid an Interim Dividend of ₹ 4.00/- per Equity Share for the FY 2018-19, out of the profits of the Company for the third quarter and nine months ended December 31, 2018, on 14,55,92,483 Equity Shares of face value of ₹ 1/- each, aggregating to ₹ 58,23,69,932/-.

The Board of Directors of the Company at its meeting held on May 11, 2019 have recommended a Final Dividend of ₹ 4.50/- per Equity Share of face value of ₹ 1/- each for FY 2018-19, subject to approval of the Members of the Company at the ensuing Annual General Meeting ("AGM").

The Final Dividend, if approved at the ensuing AGM, would be paid to those Members whose name appears in the Register of Members/Beneficial Holders as on July 25, 2019.

Credit Rating

During the year under review, ICRA Limited reaffirmed the long term credit rating of [ICRA] AA" Rating with a stable outlook to the NCD Programme of ₹ 350 crores of the Company. Further, CRISIL Limited reaffirmed the Credit Rating of "CRISIL A1+" India Rating & Research also reaffirmed the Credit Rating of "IND A1+" to the Commercial Programme of ₹ 1300 Crores of the Company. Accordingly, there was no revision in the credit ratings during the year under review. The ratings indicate a very strong degree of safety regarding timely servicing of financial obligations.

Further, during the year under review, the Company does not have any fixed deposit programme or any scheme or proposal involving mobilization of funds in India or abroad.

Share Capital

During the year under review, the Company has allotted 5,96,800 Equity Shares under various Employee Stock Option Schemes of the Company.

BOARD'S REPORT (Contd..)

Pursuant to the allotment of the Equity Shares, the paid up Equity Share Capital of the Company as on March 31, 2019 is ₹ 14,56,80,358/- (Rupees Fourteen Crores Fifty Six Lakhs Eighty Thousand Three Hundred and Fifty Eight only).

The Authorised Share Capital of the Company as on March 31, 2019 is ₹ 149,00,00,000/- divided into 92,50,00,000 Equity Shares of ₹ 1/- each and 56,50,000 Preference Shares of ₹ 100/- each.

Debentures

The Company holds 2,000 debentures of ₹ 10 Lakhs each aggregating to ₹ 200 Crores as on March 31, 2019.

The details of the Debenture Trustee of the Company is as under:

Vistra ITCL (India) Limited

IL & FS Financial Centre, Plot No. C22, G Block, 7th Floor
Bandra Kurla Complex, Bandra - East, Mumbai - 400051
Direct: +91 22 6593662, Website: www.vistraitcl.com

Employee Stock Option Schemes

The disclosures required to be made under the SEBI (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations") (as amended from time to time), are available on the website of the Company at www.motilaloswalgroup.com.

The Certificate from the Statutory Auditors, confirming compliance with the aforesaid provisions would be placed before the members at the ensuing AGM of the Company.

The Employee Stock Option Schemes are administered by the Nomination and Remuneration Committee ("NRC") of the Board of the Company, in accordance with the applicable SBEB Regulations.

Subsidiary Companies

The Company along with its subsidiaries, offers a diversified range of financial products and services such as Loan against Securities, Investment Activities, Private Wealth Management, Broking and Distribution, Asset Management Business, Housing Finance, Institutional Equities, Private Equity and Investment Banking.

During the year under review the erstwhile Motilal Oswal Securities Limited has promoted a new wholly owned subsidiary namely Motilal Oswal Finsec IFSC Limited ("MOFIL"). Further, the Company is in process of subscribing to equity share capital of MOFIL, subject to requisite approvals.

As of March 31, 2019, the Company had 17 subsidiaries (including step down subsidiaries). The details of these subsidiaries are set out in form MGT-9 forming part of the Annual Report. There are no associate companies or joint venture within the meaning of Section 2(6) of the Act as on March 31, 2019.

Material Subsidiaries

As required under Regulations 16(1)(c) and 46 of the Listing Regulations, the Board of Directors has approved the Policy for determining Material Subsidiaries ("Policy"). The said Policy is available on the website of the Company at <https://www.motilaloswalgroup.com/Downloads/IR/212618793Policy-on-Determination-of-Material-Subsidiaries.pdf>. Accordingly, Motilal Oswal Home Finance Limited (erstwhile Aspire Home Finance Corporation Limited) and Motilal Oswal Asset Management Company Limited are material subsidiaries of the Company. The name of Aspire Home Finance Corporation Limited has been changed to Motilal Oswal Home Finance Limited w.e.f. May 28, 2019.

Investment in Subsidiaries

During the year under review, the Company has acquired 2,91,26,212 equity shares of ₹ 10/- each of Motilal Oswal Finvest Limited and 6,00,00,000 equity shares of ₹ 1/- each of Motilal Oswal Home Finance Limited.

Performance and Financial Position of Subsidiaries

As required under Rule 5 and Rule 8(1) of the Companies (Accounts) Rules, 2014, a report on the highlights of performance of subsidiaries, associates and joint venture companies and their contribution to the overall performance of the Company is appended as "Annexure 2" to the Annual Report. Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of financial statement of subsidiaries in Form AOC-1 is annexed to the Consolidated Financial Statement in the Annual Report. Your Company will also make available copy of separate audited financial statement in respect of each of the subsidiary company

upon request by any Member of the Company interested in obtaining the same. In accordance with provisions of Section 136 of Act, the separate audited financial statement of each subsidiary company is also available on the website of your Company at www.motilaloswalgroup.com. These documents will also be available for inspection till the date of ensuing AGM between 11.00 A.M. to 1.00 P.M. at Registered Office of the Company.

Public Deposits

During the year under review, the Company has not accepted any deposits from the public.

Board of Directors

The composition of the Board of Directors of the Company is in accordance with the provisions of Section 149 of the Act and Regulation 17 of the Listing Regulations, with an appropriate combination of Executive, Non-Executive including Independent Directors.

The Company has 8 (Eight) Directors comprising of 1 (One) Chairman, Managing Director & Chief Executive Officer, 2 (Two) Joint Managing Directors, 1 (One) Whole-time Director and 4 (Four) Independent Directors. The complete list of Directors of the Company has been provided in the Report on Corporate Governance forming part of the Annual Report.

During the year under review, the Members of the Company at the AGM held on September 27, 2018 had approved the appointment of Mr. Navin Agarwal as the Managing Director of the Company for the period of 5 years commencing from August 21, 2018 to August 20, 2023, Mr. Ajay Menon as Director of the Company w.e.f. August 21, 2018 and Whole-time Director of the Company for the period of 5 years commencing from August 21, 2018 to August 20, 2023 and Ms. Rekha Shah as the Independent Director of the Company for the period of 5 years commencing from August 21, 2018 to August 20, 2023.

Section 152 of the Act provides that unless the Articles of Association provide for the retirement of all directors at every AGM, not less than two-third of the total number of directors of a public company (excluding the Independent Directors) shall be persons whose period of office is liable to determination by retirement of directors by rotation. Accordingly, Mr. Raamdeo Agarawal, Joint Managing Director will retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. The details of Mr. Raamdeo Agarawal is stated in the Notice of the AGM of the Company.

The resolution for the re-appointment of Mr. Raamdeo Agarawal as detailed in the notice of AGM would be placed for your approval at the ensuing AGM.

Meetings and Composition of Board of Directors and Committee(s)

The details of the Meetings of the Board and Committee(s) of the Company held during FY 2018-19 are disclosed in the Report on Corporate Governance forming part of Annual Report of the Company.

The Composition of Board and Committee(s) as on March 31, 2019 are disclosed in the Report on Corporate Governance.

Declaration by Independent Directors

All Independent Directors have submitted the declaration of independence, as required pursuant to provisions of the Section 149(7) of the Act, stating that they meet the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and are not disqualified from continuing as Independent Directors of the Company. These confirmations have been placed before the Board.

Disclosure on Maintenance of Cost Records

During the year under review, the Company was engaged in Non-Banking Financial activities (till August 21, 2018) and Broking activities (from August 22, 2018) and hence is not required to maintain cost records in accordance with the provisions of the Act.

Familiarization Programmes

The Company has familiarized the Independent Directors with the Company, about their roles, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, various businesses in the group etc. The details of the familiarization Programmes are available on the website of the Company at <https://www.motilaloswalgroup.com/Downloads/IR/79247375Familiarization-Programmes-for-Independent-Directors.pdf>.

Code of Conduct

Pursuant to Regulation 26(3) of the Listing Regulations, all the Directors of the Company have affirmed compliance with the Code of Conduct of the Company.

BOARD'S REPORT (Contd..)

Key Managerial Personnel

During the year under review, Mr. Navin Agarwal, Managing Director and Mr. Ajay Menon, Whole-time Director, were designated as Key Managerial Personnel ("KMP") of the Company.

As at March 31, 2019, the Company has the following KMP:

- 1) Mr. Motilal Oswal – Chairman, Managing Director & Chief Executive Officer
- 2) Mr. Raamdeo Agarawal – Joint Managing Director
- 3) Mr. Navin Agarwal – Managing Director
- 4) Mr. Ajay Menon – Whole-time Director
- 5) Mr. Shalibhadra Shah – Chief Financial Officer
- 6) Mr. Kailash Purohit – Company Secretary & Compliance Officer

Company's Policy on Director Appointment and Remuneration

Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations, as amended from time to time, requires the NRC to formulate a Policy relating to the remuneration for the Directors, KMP, Senior Management and other employees of the Company and recommend the same for approval of the Board.

Appointment Criteria and Qualifications:

Accordingly, in compliance to the aforesaid provisions, the Nomination and Remuneration Policy of the Company is available on the website of the Company at <https://www.motilaloswalgroup.com/Downloads/IR/724496156Nomination-and-Remuneration-Policy.pdf>. The salient features of the Policy are given below:-

Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or Senior Management and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Managing Director / Whole-time Director / Manager who has attained the age of seventy years.

Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

• Evaluation:

The performance evaluation shall be carried out as given below:-

Performance Evaluation by	Of Whom
Nomination and Remuneration Committee	Every Director's performance
Board of Directors	All Directors, Board and Committees
Independent Directors	Review the performance of Non-Independent Directors and Chairman of the Company

The Committee shall carry out evaluation of performance of every Director at regular interval (yearly).

• Removal:

Due to reasons for any disqualification mentioned in the Act, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

• Retirement:

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Act and the prevailing internal policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Provisions Relating to Remuneration of Managerial Person, KMP and Senior Management

• General:

1. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and such other approval, wherever required.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Act and Listing Regulations, and the rules made there under for the time being in force.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person.
4. The remuneration structure will have a right mix of guaranteed (fixed) pay, pay for performance and long term variable pay based on business growth and other factors such as growth in shareholder value to ensure that it is competitive and reasonable
5. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and for Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

• Remuneration to Managerial Person, KMP and Senior Management:

1. Fixed pay:

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Act and the rules made there under for the time being in force. The break-up of the pay scale and quantum of perquisites including employer's contribution to Provident Fund(s), pension scheme(s), medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and such other approval, wherever required.

1. Variable Pay:

The Company may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfilment of specified improvement targets or the attainment of certain financial or other objectives set by the Board. The amount payable shall be based on performance against pre-determined financial and non-financial metrics.

2. Provision for excess remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Act. If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without such approval, wherever required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

• Remuneration to Non-Executive / Independent Director:

1. Remuneration / Commission:

The remuneration / commission, if any, shall be in accordance with the statutory provisions of the Act and the rules made there under for the time being in force.

2. Sitting Fees:

The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committee or such amount as may be prescribed from time to time.

3. Limit of Remuneration / Commission:

Remuneration / Commission may be paid to Non-Executive Directors within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act.

Performance Evaluation

Pursuant to the provisions of Section 134(3)(p) of the Act and Schedule IV of the Act and in accordance to Regulation 17(10), 25(4) of the Listing Regulations, the Board has carried out the annual performance evaluation of the Board as a whole, various Committees of the Board and of the individual Directors. The performance evaluation of the Independent Directors was carried out by the entire

BOARD'S REPORT *(Contd..)*

Board. The Directors expressed their satisfaction with the evaluation process.

A declaration to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Act has also been received from Independent Directors of the Company.

The Board and the NRC reviewed the performance of the individual Directors on the basis of the criteria such as Transparency, Performance, etc.

In a separate meeting of Independent Directors, performance of Non-Independent Directors and performance of the Chairman was evaluated, taking into account the views of the Executive Directors and Non-Executive Directors. The same was discussed in the Board meeting that followed the meeting of independent directors, at which the performance of the Board, its Committees and individual Directors was also discussed.

Particulars of Employees

In accordance with the provisions of Section 197(12) of the Act, the ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **"Annexure 3"** to the Annual Report.

In terms of first proviso to Section 136 of the Act, the Report and Financial Statements are being sent to the Members and others entitled thereto, excluding the information on employees' particulars as required pursuant to provisions of Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

In accordance with the provisions of Section 197 of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the annexure pertaining to the names and other particulars of employees is available for inspection at the Registered Office of the Company during the business hours on working days of the Company up to the date of the ensuing AGM. Any shareholder interested in obtaining a copy of the said Annexure may write to the Company Secretary & Compliance Officer in this regard.

The Board of Directors affirms that the remuneration paid to employees of the Company is as per the Nomination and Remuneration Policy of the Company.

Report on Corporate Governance

The Report on Corporate Governance for the year under review, is forming part of the Annual Report. The Certificate from the Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated in Regulation 34 and Schedule V to the Listing Regulations is annexed to the Report on Corporate Governance.

Business Responsibility Report

In terms of Regulation 34(2)(f) of the Listing Regulations, top 500 listed entities based on their market capitalisation as on March 31, are required to prepare a Business Responsibility Report ("BRR") forming part of the Annual Report.

Accordingly, the Company has prepared the BRR describing the initiatives taken by the Board from an environmental, Social and Governance perspective and has also constituted the Business Responsibility Committee to overview the BRR and frame and overview such policies as may be required from time to time.

The said BRR is forming part of Annual Report of the Company and is also uploaded on the website of the Company at www.motilaloswalgroup.com.

Statutory Auditors

Pursuant to the provisions of Section 139(2) of the Act and the rules made thereunder, the Members of the Company at their Twelfth AGM held on July 27, 2017, had appointed M/s. Walker Chandiok & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Company for a term of five years i.e. from the conclusion of Twelfth AGM till the conclusion of the Seventeenth AGM.

Mr. Sudhir Pillai, Partner, Walker Chandiok & Co. LLP, Chartered Accountants, Statutory Auditors, has signed the Audited Financial Statements of the Company.

Statutory Auditors' Report

The Statutory Auditors' Report issued by M/s. Walker Chandiok & Co. LLP for the year under review does not contain any qualification, reservations or adverse remarks. The Notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further clarifications under Section 134(3)(f) of the Act. Further, pursuant to Section 143(12) of the Act, the Statutory Auditors of the Company have not reported any instances of frauds committed in the Company by its officers or employees.

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended from time to time), the Company had appointed M/s. U. Hegde and Associates, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company for the FY 2018-19.

The Secretarial Audit Report is appended as “Annexure 4” to the Annual Report.

Further, the Secretarial Compliance Report for the financial year ended March 31, 2019 was obtained from M/s. U. Hegde and Associates, Practicing Company Secretaries, in relation to compliance of all applicable SEBI Regulations/circulars/guidelines issued thereunder, pursuant to requirement of Regulation 24A of Listing Regulations.

There is no adverse remark, qualifications or reservation in the Secretarial Audit Report and Secretarial Compliance Report.

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

Considering the Company's Non-Banking Financial activities (till August 21, 2018) and Broking activities (from August 22, 2018) during the year under review, the particulars regarding conservation of energy and technology absorption as required to be disclosed pursuant to the Rule 8(3) of the Companies (Accounts) Rules, 2014 are not relevant to its activities.

Details of the foreign exchange earnings and outgo are given in the Note No. 49 to the Standalone Financial Statement.

Transfer of Shares Pertaining to Unclaimed / Unpaid Dividend to Investor Education and Protection Fund

Pursuant to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the shares of the shareholders in respect of whom the dividend is unpaid / unclaimed for seven consecutive years are required to be transferred to Investor Education and Protection Fund (“IEPF”) after giving an opportunity to shareholders to claim the said unpaid / unclaimed dividend.

Accordingly, the Company issued the reminder letters to such shareholders to claim the dividend and also published the notice to such effect in the leading newspaper in English and regional language having wide circulation and accordingly informed them that in the event of failure to claim said dividend, the unpaid / unclaimed dividend along with shares pertaining to unpaid / unclaimed dividend would be transferred to IEPF.

Subsequently, the Company has transferred 643 equity shares to IEPF on September 19, 2018 and 10,099 equity shares on March 18, 2019 under review. The details of such shares are available on the website of the Company at <https://www.motilaloswalgroup.com/Investor-Relations/Disclosures/IEPF>. The concerned shareholders are requested to claim the said shares by directly approaching IEPF Authority.

Disclosure of Details of Unclaimed Equity Shares in the Suspense Account:

Pursuant to Regulation 34 and Schedule V of Listing Regulations, the details in respect of unclaimed equity shares that are kept in Specific Demat Accounts of the Company is given below:

Particulars	Number of Shareholders	Number of Equity shares
Aggregate Number of Shareholders and the outstanding shares in the suspense account lying as on April 1, 2018	5	575
Number of Shareholders who approached the Company for transfer of shares from suspense account during the year	–	–
Number of Shareholders to whom shares were transferred from the suspense account during the year	–	–
Aggregate Number of Shareholders and the outstanding shares in the suspense account lying as on March 31, 2019	5	575

Depository System

The Equity Shares of the Company are compulsorily tradable in electronic form. As on March 31, 2019, out of the Company's total paid-up Equity Share Capital comprising of 14,56,80,358 Equity Shares, only 28,260 Equity Shares are in physical form and the remaining shares are in electronic form (demat form). In view of the numerous advantages offered by the Depository System, the Members holding shares in physical form are advised to avail the facility of dematerialization.

Directors' Responsibility Statement

Pursuant to the provisions of Section 134(5) of the Act, the Board of Directors confirm that, to the best of its knowledge and belief:

- 1) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 2) the Directors have 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 March 31, 2019 and of the profit of the Company for that period;
- 3) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) the Directors have prepared the annual accounts on a going concern basis;
- 5) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;
- 6) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Internal Financial Controls

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. The Internal Financial Control procedure adopted by the Company are adequate for safeguarding 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. During the year under review, the Internal Financial Controls were operating effectively and no material or serious observation has been received from the Auditors of the Company for inefficiency or inadequacy of such controls.

Vigil Mechanism / Whistle Blower Policy

Pursuant to Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 read with Section 177(9) of the Act and as per Regulation 22 of the Listing Regulations (as amended from time to time), the Company has framed Vigil Mechanism/Whistle Blower Policy ("Policy") to enable directors and employees to report genuine concerns or grievances, significant deviations from key management policies and reports any non-compliance and wrong practices, e.g., unethical behavior, fraud, violation of law, inappropriate behavior / conduct etc.

The functioning of the Vigil Mechanism is reviewed by the Audit Committee from time to time. None of the Directors or employees have been denied access to the Audit Committee of the Board.

The objective of this mechanism is to maintain a redressal system which can process all complaints concerning questionable accounting practices, internal controls, or fraudulent reporting of financial information.

The Policy framed by the Company is in compliance with the requirements of the Act and Listing Regulations and is available on the website of the Company at <https://www.motilaloswalgroup.com/Downloads/IR/1677814951Vigil-MechanismWhistle-Blower-Policy.pdf>.

Corporate Social Responsibility

The Company recognizes the responsibilities towards society and strongly intends to contribute towards development of knowledge based economy.

In accordance with the requirements of the provisions of Section 135 of the Act, the Company has constituted a Corporate Social Responsibility ("CSR") Committee. The composition and terms of reference of the CSR Committee is provided in the Report on Corporate Governance forming part of the Annual Report.

The Company has also formulated a CSR Policy which is available on the website of the Company at <http://www.motilaloswalgroup.com/Downloads/IR/1129307840CSRPolicy.pdf>.

An Annual Report on activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time) is appended as "Annexure 5" to the Annual Report.

The Company has made contribution through Motilal Oswal Foundation, a not-for-profit charitable company incorporated under Section 25 of the Companies Act, 1956 and through various other not-for-profit organisations.

Particulars of Loans Given, Investments Made, Guarantees Given or Security Provided by the Company

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Act are given in the Notes to the Standalone Financial Statement.

Particulars of Contracts or Arrangements with Related Parties

The Board of Directors has approved the policy on transactions with related parties ("RPT Policy"), pursuant to the recommendation of the Audit Committee. In line with the requirements of the Act and Listing Regulations, the Company has formulated the RPT Policy which is also available on the Company's website at <https://www.motilaloswalgroup.com/Downloads/IR/853061866Policy-on-Materiality-and-Dealing-with-Related-Party-Transactions.pdf>.

All related party transactions entered into during the FY 2018-19 were on an arm's length basis and in the ordinary course of business.

All Related Party Transactions were placed before the Audit Committee for prior approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of unforeseen or repetitive in nature. The details of all such related party transactions entered into pursuant to the omnibus approval of the Committee, were placed before the Audit Committee on a quarterly basis for its review.

During the year under review, there were no material contracts or arrangements or transactions entered into by the Company with related parties pursuant to Section 188 of Act and accordingly Form AOC-2 is not applicable.

The Directors draw attention of the Members to Note No. 54 to the Standalone Financial Statement which sets out related party disclosures.

Compliance with Secretarial Standard – 1

The Company has complied with Secretarial Standard-1 (SS-1) on meeting of Board of Directors.

Business Risk Management

The Company realizes the importance of Enterprise Risk Management ("ERM") framework and had taken early initiatives towards its implementation. The Company has also formulated group risk management policy.

A systematic approach has been adopted that originates with the identification of risk, categorization and assessment of identified risk, evaluating effectiveness of existing controls and building additional controls to mitigate risk and monitoring the residual risk through effective Key Risk Indicators ("KRI"). The implementation is being carried out in phased manner with the objective to encompass the entire line of businesses.

Effective ERM involves a robust implementation of three lines of defense - first line of defense is the front-line employees, the second line of defense is the risk and compliance function and the third line of defense is external and internal auditors. To build an effective risk culture significant effort has been made towards robustness of these lines of defense.

In the opinion of Board, there are no elements of risks threatening the existence of the Company.

Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace

The Company has in place a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace. Appropriate reporting mechanisms are in place for ensuring protection against Sexual Harassment at Workplace.

During the year under review, the Company has received one complaint in this regard and the same has been resolved during the year under review.

Further, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Extract of Annual Return as Required and Prescribed under Section 92(3) of the Act and Rules made thereunder

The extract of Annual Return in MGT-9 as required under Section 92(3) of the Act and prescribed in Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as "Annexure 6" to the Annual Report. The Annual Return will be uploaded on the website of the Company www.motilaloswalgroup.com.

Significant and Material Orders passed by the Regulators or Courts

The Hon'ble NCLT vide its Order dated July 30, 2018 has approved the Scheme of Amalgamation of Motilal Oswal Securities Limited ("Transferor Company / wholly owned subsidiary company") with Motilal Oswal Financial Services Limited ("Transferee Company / the Company") and their respective shareholders and the amalgamation is made effective from August 21, 2018.

Further, during the year under review, the Company has received the certificate of registration from SEBI for carrying stock broking business and an order from RBI for cancellation of Certificate of Registration as an NBFC.

Further, no penalties have been levied by the RBI/SEBI /any other Regulators during the year under review.

Compliance with RBI Regulations

During the year under review, the Company was registered as NBFC and has complied with all the applicable regulations of RBI till August 21, 2018.

Acknowledgement

The Directors express their sincere gratitude to the Reserve Bank of India, Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, Multi Commodity Exchange of India Limited, National Commodity & Derivatives Exchange Limited, Central Depository Services (India) Limited, National Securities Depository Limited, Ministry of Finance, Ministry of Corporate Affairs, Registrar of Companies, other government and regulatory authorities, lenders, financial institutions and the Company's Bankers for the ongoing support extended by them. The Directors also place on record their sincere appreciation for the continued support extended by the Company's stakeholders and trust reposed by them in your Company. The Directors sincerely appreciate the commitment displayed by the employees of the Company and its subsidiaries across all levels, resulting in successful performance during the year.

For and on behalf of the Board of
Motilal Oswal Financial Services Limited

Motilal Oswal
Chairman and Managing Director
(DIN: 00024503)

Place : Mumbai
Date: May 11, 2019

ANNEXURE 1 TO THE BOARD'S REPORT

Dividend Distribution Policy

Introduction

The Securities and Exchange Board of India ("SEBI") has notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") which shall be applicable to all listed entity with effect from December 01, 2015.

Subsequently, SEBI has issued the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 containing the additional Regulation 43A consisting of provisions for formulation of Dividend Distribution Policy which shall be applicable to top five hundred listed entities based on market capitalization as on March 31 of every financial year.

Accordingly, in compliance to the provision of aforesaid Regulation, the Board of Directors of the Company at its meeting held on October 26, 2016 has approved the Dividend Distribution Policy effective from October 26, 2016.

1. Need for the Policy

Predictability of returns is a very important factor driving shareholder value creation. Motilal Oswal Financial Services Limited has always believed in shareholder value creation and this policy is one of the means of achieving the objective of shareholder value maximisation.

2. Scope

2.1 This policy is aimed at giving a general guidance to the equity shareholders ("Shareholder") of the Company on the dividend including interim dividend pay-out by the Company in various performance scenarios.

2.2 This policy is in no way intended to minimise or prejudice the rights of the Board of Directors ("Board") and/or the Shareholders' to declare dividends at the rate at which they in their absolute discretion deem necessary in the interest of the Company and its Shareholders.

3 Policy Statement

3.1 The Shareholders' may refer to the various circumstances, parameters and factors as referred to in Clause 3.2, Clause 3.3 and Clause 3.4 respectively for the guidance on the likelihood of declaration of dividend by the Board and the Company. The Board of the Company shall be guided by all of the factors and parameters as referred to aforementioned clauses for proposing quantum and rate of dividend declaration.

3.2 Circumstances under which the Shareholders of the Company;

3.2.1 May expect dividend

The Shareholders may expect dividend in all financial years where the Company has both on a standalone and consolidated basis earned a net profit after tax ("Profit"). The Company will strive to pay steadily rising dividend every year in lieu of increase in profits. The dividend pay-out will be calibrated in the range up to 25% to 35% of the consolidated net profits of the Company and subject to the financial parameters referred to in Clause 3.3 and internal and external factors referred to in Clause 3.4.

3.2.2 May not expect dividend

In circumstances where the financial position of the Company is such that the Company has no profits or retained earnings available for distribution as dividend, it will be prudent for the Shareholders to not expect any dividend declaration.

3.3 Financial parameters that shall be considered while declaring dividend:

- a) Profit in absolute terms – The profits earned by the Company is the major factor of consideration in case of payment of dividend.
- b) Growth Rate – The growth rate is the percentage change in profit during the specific time period.
- c) Outstanding Capital Commitments – The Company set aside the certain amount for meeting the outstanding capital commitments of the Company.
- d) Availability of surplus funds for:
 - (i) Additional investments in Subsidiaries of the Company – The Company make Non Current investments in Subsidiaries of the Company on regular basis
 - (ii) Working capital requirements – The funds are also utilised for meeting the working capital requirements of the Company

ANNEXURE 1 TO THE BOARD'S REPORT (Contd.)

(iii) Capital expenditure requirement

(iv) The Company also makes investment in various products of its group companies

3.4 Internal and external factors that shall be considered for declaration of dividend:

3.4.1 Past Dividend History – The dividend paid by the Company in past is major factor considered for payment of dividend

3.4.2 Impact of dividend declaration on share price of the Company – The dividend declaration also impact the share price of the Company since it encourages investors to purchase shares of the Company.

3.4.3 Sector performance and industry trend – The Company also consider the area of economy in which businesses share the same or a related service i.e. trend followed in the financial services industry

3.4.4 Taxation and other regulatory concern – The taxation and other regulatory aspects are also considered

3.4.5 Markets Risks - The market risk exposure impacting the Company is measured for declaration of dividend

3.4.6 Stipulations/Covenants of loan agreements

3.4.7 Any other relevant factors that the Board may deem fit to consider before declaring Dividend

3.5 Policy as to how the retained earnings shall be utilized

Retained earnings shall unless transferred to any reserves (other than general reserves) be available for disposal by the Board as they deem fit in their absolute discretion in the interest of all Shareholders and may be utilized for distribution of dividends in accordance with past dividend distribution trend of the Company after considering the factors and parameters as referred to in Clause 3.3 and Clause 3.4.

3.6 Parameters that shall be adopted with regard to various classes of shares

3.6.1 Non-cumulative Preference Shares: The Company shall declare dividend to non-cumulative preference shareholders in accordance with the terms of the issue of such preference shares. In case if the terms of such preference shares provide an option to the Company to not declare any dividend in case of a year in which the Company has earned profit then the Board shall be guided by the same parameters and factors for equity shareholders as provided in Clause 3.3 to Clause 3.4 in determining whether dividend should be declared and the quantum and rate of dividend declaration.

3.6.2 Cumulative Preference Shares: The Company shall declare dividend to cumulative preference shareholders in accordance with the terms of the issue of such preference shares. In case if the terms of such preference shares provide an option to the Company to not declare any dividend in case of a year in which the Company has earned profit then the Board shall be guided by the same parameter and factors for equity shareholders as provided in Clause 3.3 to Clause 3.4 in determining whether dividend should be declared and the quantum and rate of dividend declaration. In case of cumulative preference shares apart from the above the Board shall also consider and have regard to the negative impact on the equity shareholders in case of the preference shareholders being entitled to voting rights due to non-payment of dividend.

3.6.3 Shares with differential rights or other shares: The Board of Directors shall decide on a case to case basis for any other category of shares, whether all or any of the factors and parameters as specified in Clause 3.3 to Clause 3.4 should be made applicable for such other class of shares in order to determine the quantum and rate of dividend declaration.

4 Amendment in Policy

To the extent any change/amendment is required in terms of any applicable law, the Managing Director/Chief Financial Officer/Company Secretary of the Company shall be severally authorised to review and amend the Policy, to give effect to any such changes/amendments. Such amended Policy shall be periodically placed before the Board for noting and necessary ratification immediately after such changes.

For and on behalf of the Board of
Motilal Oswal Financial Services Limited

Motilal Oswal
Chairman and Managing Director
(DIN: 00024503)

Place : Mumbai
Date : May 11, 2019

ANNEXURE 2 TO THE BOARD'S REPORT

The financial performance of each of the subsidiaries included in the Consolidated financial statement are detailed below:-

₹ In Lakhs

Sr. No	Name of the Subsidiary	Turnover			Profit / Loss before Tax			Profit / Loss after Tax		
		Current Period	Previous Period	Growth %	Current Period	Previous Period	Growth %	Current Period	Previous Period	Growth %
(A)	INDIAN SUBSIDIARIES									
1	Motilal Oswal Investment Advisors Limited	3515	11571	-70%	794	8750	-91%	524	6374	-92%
2	MOPE Investment Advisors Private Limited	6316	10311	-39%	2,279	6685	-66%	1587	5421	-71%
3	Motilal Oswal Commodities Broker Private Limited	-83	2180	-104%	-199	649	-131%	-236	544	-143%
4	Motilal Oswal Fincap Private Limited	4	14	-74%	-6	-75	-92%	-6	-74	-92%
5	Motilal Oswal Finvest Limited	1569	68	2197%	155	53	190%	210	44	376%
6	Motilal Oswal Asset Management Company Limited	57808	53047	9%	23,332	18258	28%	15267	12394	23%
7	Motilal Oswal Trustee Company Limited	11	11	1%	3	4	-16%	2	4	-36%
8	Motilal Oswal Wealth Management Limited	11039	10361	7%	2,159	3650	-41%	1529	2660	-42%
9	Motilal Oswal Securities International Private Limited	145	221	-34%	20	30	-33%	15	22	-31%
10	Aspire Home Finance Corporation Limited	64841	67075	-3%	-21,156	2478	-954%	-13688	1921	-812%
11	Motilal Oswal Real Estate Investment Advisors Private Limited	0	0	-15%	-1	-12	-94%	-1	-12	-93%
12	Motilal Oswal Real Estate Investment Advisors II Private Limited	3528	2110	67%	1,260	701	80%	877	499	76%
13	Motilal Oswal Capital Limited	51	20	153%	-26	5	-682%	-20	3	-696%
	COMPANIES INCORPORATED OUTSIDE INDIA									
1	Motilal Oswal Capital Markets (Hong Kong) Private Limited	156	175	-11%	27	34	-20%	27	34	-20%
2	Motilal Oswal Capital Markets (Singapore) Private Limited	270	244	10%	35	32	10%	34	31	11%
3	Motilal Oswal Asset Management (Mauritius) Private Limited	101	207	-51%	-150	52	-389%	-150	50	-397%
4	Indian Business Excellence Management Company	1925	8687	-78%	825	5418	-85%	806	5394	-85%

For and on behalf of the Board of
Motilal Oswal Financial Services Limited

Motilal Oswal
Chairman and Managing Director
(DIN: 00024503)

Place : Mumbai
Date : May 11, 2019

ANNEXURE 3 TO THE BOARD'S REPORT

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) Ratio of the remuneration of each Executive Director to the median remuneration of the Employees of the Company for the FY 2018-19, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director and Company Secretary during the FY 2018-19:

Sr. No.	Name of Director/KMP	Designation	Ratio of Remuneration of each Director/KMP to median remuneration of Employees	Percentage Increase in Remuneration
1.	Mr. Motilal Oswal	Chairman & Managing Director	106.16	Nil
2.	Mr. Raamdeo Agarawal	Joint Managing Director	121.71	Nil
3.	Mr. Navin Agarwal ⁽¹⁾	Managing Director	NA	-
4.	Mr. Ajay Menon ⁽¹⁾	Whole-time Director	NA	-
5.	Mr. Vivek Paranjpe	Independent Director	3.29	Nil
6.	Mr. Praveen Tripathi	Independent Director		
7.	Ms. Sharda Agarwal	Independent Director		
8.	Ms. Rekha Shah ⁽¹⁾	Independent Director	NA	-
9.	Mr. Shalibhadra Shah	Chief Financial Officer	53.54	21.21%
10.	Mr. Kailash Purohit	Company Secretary and Compliance Officer	8.68	23.17%

⁽¹⁾ Mr. Navin Agarwal was appointed as Managing Director, Mr. Ajay Menon as Whole-time Director and Ms. Rekha Shah as Independent Director on August 21, 2018 and hence it is not feasible to calculate the percentage increase in their remuneration.

Note: The Non-Executive Directors of the Company are entitled for sitting fees and commission as per the statutory provisions and within the limits approved by the shareholders. The details of remuneration paid to Non-Executive Directors during the year under review are provided in the Corporate Governance Report and Annexure 6 to the Board's Report.

- (ii) the percentage increase in the median remuneration of employees in the financial year:

It is not feasible to calculate the percentage increase in the median remuneration of employees for the financial year under review, since Motilal Oswal Securities Limited, wholly owned subsidiary of the Company was amalgamated with the Company w.e.f. August 21, 2018 and the employees of MOSL were transferred from payroll of MOSL to the payroll of the Company and accordingly there was drastic change in the number of employees, as compared to FY 2017-18.

- (iii) The Company has 3,249 permanent employees on the rolls of Company as on March 31, 2019.

- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Particulars	% Increase in Remuneration
Employees other than Managerial Personnel	15%
Managerial Personnel	11.10%

There are no exceptional circumstances for the increase in managerial remuneration.

- (v) It is hereby affirmed that the remuneration paid during the year is as per the Nomination and Remuneration Policy of the Company.

For and on behalf of the Board of
Motilal Oswal Financial Services Limited

Motilal Oswal
Chairman and Managing Director
(DIN: 00024503)

Place : Mumbai
Date : May 11, 2019

ANNEXURE 4 TO THE BOARD'S REPORT

Secretarial Audit Report

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

For the Financial Year Ended March 31, 2019

To,
The Members,
Motilal Oswal Financial Services Limited
CIN- L67190MH2005PLC153397

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Motilal Oswal Financial Services Limited (MOFSL)**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 has generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Motilal Oswal Financial Services Limited ("the Company") for the financial year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable during the audit period)**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period)** and
 - (h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period)**
- (vi) I have relied on the representation made by the Company and its officer and compliance mechanism prevailing in the Company and on examination of documents on test check basis for compliance of the following specific applicable laws.
 - 1) The Reserve Bank of India Act, 1934, Directions, Circulars & Notifications issued by RBI and applicable to Systematically Important - Non Deposit Accepting - Non Banking Finance Company (up to August 21, 2018).
 - 2) Bye-laws, Rules, Regulations, Guidelines, Circulars & Notifications issued by SEBI, Stock Exchanges & Depositories and applicable to Depository Participant & Registered Broker (w.e.f. August 22, 2018)
 - 3) Securities and Exchange Board of India (Research Analyst) Regulations, 2014 (w.e.f August 22, 2018)

ANNEXURE 4 TO THE BOARD'S REPORT *(Contd..)*

- 4) Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 (w.e.f August 22,2018)

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Uniform Listing Agreement(s) entered into by the Company with BSE Limited and National Stock Exchange of India Limited pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were following specific events / action reported having major bearing on company's operations;

- 1) The Scheme of Amalgamation of the Motilal Oswal Securities Limited (A Wholly Owned Subsidiary Company) with the Company and their respective shareholders pursuant to Section 230 to Section 232 of the Companies Act, 2013, which was approved by the Shareholders and Creditors of the Company in the previous financial year became effective w.e.f. August 21, 2018 and transfer of lending business to Wholly Owned Subsidiary pursuant to the said scheme.
- 2) Appointment of Mr. Navin Agarwal as a Managing Director and Mr. Ajay Menon as a Whole Time Director of the Company for the period of 5 years commencing from August 21, 2018 to August 20, 2023.
- 3) Appointment of Ms. Rekha Utsav Shah as an Independent Director for the period of 5 years commencing from August 21, 2018 to August 20, 2023.

FOR U. HEGDE & ASSOCIATES,
Company Secretaries

Date : May 3, 2019
Place: Mumbai

UMASHANKAR K. HEGDE
(Proprietor)
C.P. No- 11161 # M.No- ACS 22133

ANNEXURE 5 TO THE BOARD'S REPORT

Annual Report on Corporate Social Responsibility ("CSR")

[Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

As required under Section 135(4) of the Companies Act, 2013 and Rule 9 of Companies (Accounts) Rules, 2014, the details with respect to CSR are as follows:

1) A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The Company recognizes its responsibilities towards society and strongly intends to contribute towards development of knowledge based economy. Accordingly, the Company intends to carry out initiatives for supporting education. The Company's endeavor is to provide liberal arts education at low cost, providing education to children from different background etc. The CSR Policy has been formulated in accordance with the provisions of Section 135 of the Companies Act, 2013 and is available on the website of the Company at <http://www.motilaloswalgroup.com/Downloads/IR/1129307840CSRPolicy.pdf>

2) Composition of CSR Committee:

The composition of CSR Committee is disclosed in the Report on Corporate Governance forming part of the Annual Report.

3) Average Net Profit of the Company for the last three financial years is ₹ 2,26,76,20,508/-

4) Prescribed CSR expenditure and details of CSR spend:

Particulars	Amount (₹)
Prescribed CSR expenditure	4,53,52,410
Amount spent as CSR	5,16,77,533
Amount unspent	–

5) Manner in which amount spent during the financial year:

(Amount in ₹)

CSR project or activity identified	Sector in which project is covered	Location of the project/ program	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs. Sub heads- (a) Direct expenditure & (b) Overheads ⁽¹⁾	Cumulative expenditure up to the reporting period	Amount spent - Direct or through implementing Agency
Providing Medical Treatment	Promoting preventive Health Care	Maharashtra	9,40,000	9,40,000	9,40,000	Through M/s. Motilal Oswal Foundation ("MOF")
Donation for Kerala Floods for help of medication, food supply etc.	Promoting Preventive Health Care and Eradicating Hunger	Tamil Nadu	2,00,000	2,00,000	34,89,803	MOF
Contribution to Drought Relief Project	Drought Relief	Maharashtra	50,00,000	50,00,000	50,00,000	Directly
Payment of Education fees	Promoting Education	Maharashtra	1,00,000	1,00,000	1,00,000	MOF
Donation given for education purpose for tribal under privileged children	Promoting Education	Maharashtra	2,80,300	2,80,300	6,87,100	MOF
Donation for project of school support	Promoting Education	Maharashtra	2,50,000	2,50,000	2,50,000	MOF
Construction of school	Promoting Education	Maharashtra	15,00,000	15,00,000	15,00,000	MOF
Donation for Library books for under privileged children	Promoting Education	Maharashtra	75,000	75,000	75,000	MOF
School construction project at Odisha	Promoting Education	Odisha	3,61,37,736	3,61,37,736	3,61,37,736	MOF

ANNEXURE 5 TO THE BOARD'S REPORT (Contd.)

(Amount in ₹)

CSR project or activity identified	Sector in which project is covered	Location of the project/ program	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs. Sub heads- (a) Direct expenditure & (b) Overheads ⁽¹⁾	Cumulative expenditure up to the reporting period	Amount spent - Direct or through implementing Agency
Career Guidance Session to Children	Promoting Education	Maharashtra	71,497	71,497	71,497	MOF
Providing Education for under privileged rural children	Promoting Education	Maharashtra	3,75,000	3,75,000	21,75,000	MOF
The help is provided to Rural people in making school and also concentrating on women oriented projects along with differently abled people	Promoting Education and empowering women	Maharashtra	30,000	30,000	30,000	Directly
Education & medical expenses for the rural people	Promoting Education and preventive Health Care	Maharashtra	51,000	51,000	51,000	MOF
Towards Donation for "Shravan Yantra Hearing Aids" for Varishtha Nagarik Senior Citizen thereby helping needy, poor & BPL senior citizen in Mumbai	Promoting preventive Health Care	Maharashtra	5,00,000	5,00,000	7,00,000	Directly
Donation for sanitation and providing housing and shelter	Promoting Sanitation	Kerala	50,00,000	50,00,000	50,00,000	Directly
Donation for sanitation and providing housing and shelter to the victims at Kerala Flood	Sanitation and Accommodation	Kerala	7,00,000	7,00,000	7,00,000	MOF
Tree Plantation	Environmental Sustainability	Maharashtra	67,000	67,000	67,000	MOF
Donation for sanitation and providing housing and shelter	Promoting Sanitation	Maharashtra	2,00,000	2,00,000	2,00,000	MOF
Donation towards Kerala Storm Relief project	Eradicating Hunger	Kerala	2,00,000	2,00,000	2,00,000	MOF
Total			5,16,77,533	5,16,77,533		

⁽¹⁾ The amount spent on all the projects are direct expenditure.

6) Responsibility Statement:

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of Board of
Motilal Oswal Financial Services Limited

Motilal Oswal
Managing Director, Chief-Executive Officer
and Chairman-CSR Committee
(DIN: 00024503)

Place: Mumbai
Date : May 11, 2019

ANNEXURE 6 TO THE BOARD'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2019

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details:

i) CIN	L67190MH2005PLC153397
ii) Registration Date	May 18, 2005
iii) Name of the Company	Motilal Oswal Financial Services Limited
iv) Category/Sub-Category of the Company	Company limited by Shares / Non-Govt. company
v) Address of the Registered Office & contact details	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025 Tel: +91 22 7193 4200/4263 Fax: +91 22 5036 2365 Email: shareholders@motilaloswal.com
vi) Whether listed company	Yes
vii) Name, Address & contact details of the Registrar and Transfer Agent, if any	Link Intime India Private Limited, C-101, 247 Park, L. B. S Marg, Vikhroli West, Mumbai - 400083. Tel: +91 22 49186000 Fax:+91 22 49186060 E-mail: rnt.helpdesk@linkintime.co.in

II. Principal Business Activity of the Company

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Brokerage Income	6612	58.36%
2	Interest Income	6612	14.17%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No	Name & Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Passionate Investment Management Private Limited (PIMPL) Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U67120MH1995PTC092014	Holding	55.15	2(46)
2.	Motilal Oswal Investment Advisors Limited (MOIAL) Motilal Oswal Tower, 10 th Floor, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U67190MH2006PLC160583	Subsidiary	100	2(87)
3.	MOPE Investment Advisors Private Limited (MOPE) Motilal Oswal Tower, 12 th Floor, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U67110MH2006PTC161128	Subsidiary	85	2(87)
4.	Motilal Oswal Commodities Broker Private Limited (MOCBPL) Motilal Oswal Tower, 6 th Floor, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U65990MH1991PTC060928	Subsidiary	100	2(87)
5.	Motilal Oswal Fincap Private Limited (MOFPL) (Erstwhile Motilal Oswal Insurance Brokers Private Limited) ⁽¹⁾ Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U65100MH2007PTC170211	Subsidiary	100	2(87)

ANNEXURE 6 TO THE BOARD'S REPORT *(Contd..)*

Sr. No	Name & Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
6.	Motilal Oswal Finvest Limited (MOFL) (Erstwhile Motilal Oswal Capital Markets Limited) ⁽²⁾ Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U65100MH2006PLC165469	Subsidiary	100	2(87)
7.	Motilal Oswal Asset Management Company Limited (MOAMC) Motilal Oswal Tower, 10 th Floor, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U67120MH2008PLC188186	Subsidiary	97.62	2(87)
8.	Motilal Oswal Trustee Company Limited (MOTC) Motilal Oswal Tower, 10 th Floor, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U93090MH2008PLC188187	Subsidiary	100	2(87)
9.	Motilal Oswal Wealth Management Limited (MOWML) Motilal Oswal Tower, 6 th Floor, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U67110MH2002PLC135075	Subsidiary	100	2(87)
10.	Motilal Oswal Securities International Private Limited (MOSIPL) Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U65929MH2011PTC219141	Subsidiary	100	2(87)
11.	Motilal Oswal Capital Markets (Hong Kong) Private Limited [MOCMPL (HK)] 36/F, Tower Two, Times Square, 1, Matheson Street, Causeway Bay, Hong Kong	59035781-000-09-11-0	Subsidiary	100	2(87)
12.	Motilal Oswal Capital Markets (Singapore) Pte. Limited. [MOCMPL(SP)] 80 Raffles Place #32- 01 UOB Plaza Singapore (048624).	201129401Z	Subsidiary	100	2(87)
13.	Motilal Oswal Home Finance Limited (MOHFL) (Erstwhile Aspire Home Finance Corporation Limited) ⁽³⁾ Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U65923MH2013PLC248741	Subsidiary	80.49	2(87)
14.	Motilal Oswal Real Estate Investment Advisors Private Limited (MORE) Motilal Oswal Tower, 12 th Floor, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U74999MH2013PTC248200	Subsidiary	85	2(87)
15.	Motilal Oswal Real Estate Investment Advisors II Private Limited (MORE II), Motilal Oswal Tower, 12 th Floor, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U67190MH2014PTC253958	Subsidiary	76.5	2(87)
16.	India Business Excellence Management Company (IBEMC) IFS Court, Bank Street, Twenty Eight Cyber City, Ebene 72201, Mauritius.	65644C1/GBL	Subsidiary	85	2(87)
17.	Motilal Oswal Asset Management(Mauritius) Private Limited [MOAMC (M)] 4 th Floor, Raffles Tower, 19 Cybercity, Ebene, Mauritius	127396C1/GBL	Subsidiary	97.62	2(87)
18.	Motilal Oswal Capital Limited (MOCL) Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U65100MH2016PLC285990	Subsidiary	97.62	2(87)

⁽¹⁾ The name of Motilal Oswal Insurance Brokers Private Limited has been changed to Motilal Oswal Fincap Private Limited with effect from January 9, 2018.

⁽²⁾ The Name of Motilal Oswal Capital Markets Limited has been changed to Motilal Oswal Finvest Limited with effect from September 25, 2018.

⁽³⁾ The Name of Aspire Home Finance Corporation Limited has been changed to Motilal Oswal Home Finance Limited with effect from May 28, 2019.

ANNEXURE 6 TO THE BOARD'S REPORT (Contd..)

IV. Shareholding Pattern (Equity Share Capital Breakup as % of Total Equity)

i) Category-wise Share Holding :-

Category of Shareholders	Shareholding at the beginning of the year (As on April 1, 2018)				Shareholding at the end of the year (As on March 31, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Shareholding of Promoter and Promoter Group									
[1] Indian									
(a) Individuals/Hindu Undivided Family	2,2894,738	0	2,2894,738	15.78	2,0324,142	0	2,03,24,142	13.95	-1.83
(b) Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c) Financial Institutions/Banks	0	0	0	0.00	0	0	0	0.00	0.00
(d) Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Persons Acting In Concert	17,22,230	0	17,22,230	1.19	17,22,250	0	17,22,250	1.18	-0.01
Bodies Corporate	7,77,36,132	0	7,77,36,132	53.58	8,03,45,667	0	8,03,45,667	55.15	1.57
Sub Total (A) (1)	10,23,53,100	0	10,23,53,100	70.85	10,23,92,059	0	10,23,92,059	70.29	-0.56
[2] Foreign									
(a) Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b) Government	0	0	0	0.00	0	0	0	0.00	0.00
(c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d) Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter and Promoter Group(A)=(A) (1)+(A) (2)	102,353,100	0	102,353,100	70.85	10,23,92,059	0	10,23,92,059	70.29	-0.56
(B) Public Shareholding									
[1] Institutions									
(a) Mutual Funds/UTI	362,516	0	362,516	0.25	22,10,117	0	22,10,117	1.52	1.27
(b) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c) Alternate Investment Funds	124,599	0	124,599	0.09	0	0	0	0.00	-0.09
(d) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e) Foreign Portfolio Investor	22,127,468	0	22,127,468	15.25	1,93,91,235	0	1,93,91,235	13.31	-1.94
(f) Financial Institutions/Banks	20,977	0	20,977	0.01	41,392	0	41,392	0.02	0.01
(g) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(h) Provident Funds/Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (B) (1)	22,635,560	0	22,635,560	15.67	2,16,42,744	0	2,16,42,744	14.85	-0.82

ANNEXURE 6 TO THE BOARD'S REPORT *(Contd..)*

Category of Shareholders	Shareholding at the beginning of the year (As on April 1, 2018)				Shareholding at the end of the year (As on March 31, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2] Central Government / State Government(s)/ President of India	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
[3] Non-Institutions									
(a) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh.	6,803,115	55,836	6,858,951	4.73	72,40,173	28,260	72,68,433	4.99	0.26
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3,954,322	0	3,954,322	2.73	39,87,627	0	39,87,627	2.74	0.01
(b) NBFCs registered with RBI	0	0	0	0.00	19,850	0	19,850	0.01	0.01
(c) Employee Trusts	0	0	0	0.00	0	0	0	0.00	0.00
(d) Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
IEPF	2,309	0	2,309	0.00	13,051	0	13,051	0.00	0.00
Trusts	1,702	0	1,702	0.00	1,500	0	1,500	0.00	0.00
Hindu Undivided Family	256,313	0	256,313	0.18	2,66,987	0	2,66,987	0.18	0.00
Non Resident Indians (Non Repat)	92,130	0	92,130	0.06	1,01,857	0	1,01,857	0.07	0.01
Other Directors	7,004,010	0	7,004,010	4.83	7,004,010	0	7,004,010	4.81	-0.02
Non Resident Indians (Repat)	637,938	0	637,938	0.44	16,18,472	0	16,18,472	1.11	0.67
Clearing Member	241,706	0	241,706	0.17	3,38,473	0	3,38,473	0.23	0.06
Bodies Corporate	1,045,517	0	1,045,517	0.72	10,25,295	0	10,25,295	0.70	-0.02
Sub Total (B)(3)	20,039,062	55,836	20,094,898	13.91	2,16,17,295	28,260	2,16,45,555	14.86	0.95
Total Public Shareholding(B)=(B)(1)+(B)(2)+ (B)(3)	42,674,622	55,836	42,730,458	29.58	4,32,60,039	28,260	4,32,88,299	29.71	0.13
Total (A)+(B)	145,027,722	55,836	145,083,558	100.00	14,56,52,098	28,260	14,56,80,358	100.00	0.00
(C) Non Promoter - Non Public									
[1] Custodian / DR Holder	0	0	0	0.00	0	0	0	0.00	0.00
[2] Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.00	0	0	0	0.00	0.00
Total (A)+(B)+(C)	145,027,722	55,836	145,083,558	100.00	14,56,52,098	28,260	14,56,80,358	100.00	0.00

ANNEXURE 6 TO THE BOARD'S REPORT (Contd..)

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2018)			Shareholding at the end of the year (As on March 31, 2019)			% change in shareholding during the year
		No. of Shares held	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares held	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Passionate Investment Management Pvt. Ltd - Proprietary Account	77,734,132	53.58	0.00	8,03,43,667	55.15	0.00	1.57
2	Motilal Gopilal Oswal	11,639,607	8.02	0.00	1,01,62,071	6.98	0.00	-1.04
3	Raamdeo Ramgopal Agarawal	11,255,131	7.76	0.00	1,01,62,071	6.98	0.00	-0.78
4	Raamdeo Ramgopal Agarawal-Huf	6,50,000	0.45	0.00	6,50,000	0.45	0.00	0.00
5	Suneeta Raamdeo Agrawal	2,95,400	0.20	0.00	2,95,400	0.20	0.00	0.00
6	Vimla Motilal Oswal	125,240	0.09	0.00	1,25,240	0.09	0.00	0.00
7	Karoon Ramgopal Agarawal	100,000	0.07	0.00	1,00,000	0.07	0.00	0.00
8	Suman Agrawal	100,000	0.07	0.00	1,00,000	0.07	0.00	0.00
9	Vinay Agrawal	100,000	0.07	0.00	1,00,000	0.07	0.00	0.00
10	Sukhdeo Ramgopal Agarawal	80,200	0.06	0.00	80,200	0.06	0.00	0.00
11	Anita Agrawal	80,000	0.06	0.00	80,000	0.06	0.00	0.00
12	Satish Agrawal	79,000	0.05	0.01	79,020	0.05	0.00	0.00
13	Govind Deo Agarawal	55,770	0.04	0.00	55,770	0.04	0.00	0.00
14	Rajendra Gopilal Oswal	55,000	0.04	0.00	55,000	0.04	0.00	0.00
15	Vimala Devi	1,500	0.00	0.00	1,500	0.00	0.00	0.00
16	Osag Enterprises LLP	2,000	0.00	0.00	2,000	0.00	0.00	0.00
17	Motilal Gopilal Oswal-HUF	120	0.00	0.00	120	0.00	0.00	0.00
	Total	102,353,100	70.55	0.01	10,23,92,059	70.29	0.00	-0.26

iii) Change in Promoters' Shareholding

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year (As on April 1, 2018)		Transactions during the year		Cumulative Shareholding during the year (April 1, 2018 to March 31, 2019)	
		No. of Shares held	% of total Shares of the company	Date of transaction	No. of Shares	No. of Shares held	% of total Shares of the company
1	Passionate Investment Management Pvt Ltd - Proprietary Account						
	At the beginning of the year	7, 77,34,132	53.58				
	Inter-se Transfer			September 28, 2018	539,000	7,82,73,132	53.78
	Inter-se Transfer			January 30, 2019	492,300	7,87,65,432	54.10
	Market Purchase			February 25, 2019	9,980	7,87,75,412	54.09
	Market Purchase			February 26, 2019	14,385	7,87,89,797	54.10
	Market Purchase			February 27, 2019	2,599	7,87,92,396	54.10
	Market Purchase			February 28, 2019	10,471	7,88,02,867	54.11
	Market Purchase			March 1, 2019	1,504	7,88,04,371	54.11
	Inter-se Transfer			March 26, 2019	15,39,296	8,03,43,667	55.15
	At the end of the year					8,03,43,667	55.15

ANNEXURE 6 TO THE BOARD'S REPORT *(Contd..)*

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year (As on April 1, 2018)		Transactions during the year		Cumulative Shareholding during the year (April 1, 2018 to March 31, 2019)	
		No. of Shares held	% of total Shares of the company	Date of transaction	No. of Shares	No. of Shares held	% of total Shares of the company
2	Motilal Gopilal Oswal						
	At the beginning of the year	1,16,39,607	8.02				
	Inter-se Transfer			September 28, 2018	-2,69,500	1,13,70,107	7.81
	Inter-se Transfer			January 30, 2019	-4,92,300	1,08,77,807	7.47
	Inter-se Transfer			March 26, 2019	-7,15,736	1,01,62,071	6.98
	At the end of the year					1,01,62,071	6.98
3	Raamdeo Ramgopal Agarawal						
	At the beginning of the year	1,12,55,131	7.76				
	Inter-se Transfer			September 28, 2018	-2,69,500	1,09,85,631	7.55
	Inter-se Transfer			March 26, 2019	-8,23,560	1,01,62,071	6.98
	At the end of the year					1,01,62,071	6.98
4	Satish Agrawal						
	At the beginning of the year	79,000	0.05				
	Market Purchase			June 22, 2018	20	79,020	0.05
	At the end of the year					79,020	0.05

Notes:

1. Paid up Share Capital of the Company (Face Value ₹ 1/- each) at the end of the year is 145,680,358 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

iv) Shareholding Pattern of top ten Shareholders⁽¹⁾ (other than Directors, Promoters & Holders of GDRs & ADRs)

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year (As on April 1, 2018)		Transactions during the year		Cumulative Shareholding at the end of the year (April 1, 2018 to March 31, 2019)	
		No. of Shares held	% of total Shares of the Company	Date of transaction ⁽²⁾	No. of Shares	No. of Shares held	% of total Shares of the company
1	Franklin Templeton Investment Funds						
	At the beginning of the year	3167448	2.1742				
	Sale			13 Apr 2018	-17652	3149796	2.1621
	Sale			20 Apr 2018	-75972	3073824	2.11
	Sale			27 Apr 2018	-30000	3043824	2.0894
	Sale			04 May 2018	-369925	2673899	1.8355
	Sale			18 May 2018	-74916	2598983	1.784
	Sale			25 May 2018	-24980	2574003	1.7669
	Purchase			20 Jul 2018	90500	2664503	1.829
	Purchase			07 Sep 2018	58000	2722503	1.8688
	Purchase			29 Sep 2018	25139	2747642	1.8861
	Purchase			23 Nov 2018	252600	3000242	2.0595
	Purchase			30 Nov 2018	130400	3130642	2.149
	Purchase			07 Dec 2018	39600	3170242	2.1762
	Purchase			14 Dec 2018	473285	3643527	2.501

ANNEXURE 6 TO THE BOARD'S REPORT (Contd..)

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year (As on April 1, 2018)		Transactions during the year		Cumulative Shareholding at the end of the year (April 1, 2018 to March 31, 2019)	
		No. of Shares held	% of total Shares of the Company	Date of transaction ⁽²⁾	No. of Shares	No of Shares held	% of total Shares of the company
	Purchase			21 Dec 2018	41400	3684927	2.5295
	Purchase			22 Feb 2019	109800	3794727	2.6048
	Purchase			08 Mar 2019	117600	3912327	2.6856
	Purchase			15 Mar 2019	198638	4110965	2.8219
	At the end of the year					4110965	2.8219
2	DF International Partners						
	At the beginning of the year	2153277	1.4781				
	Purchase			04 May 2018	340000	2493277	1.7115
	Purchase			22 Jun 2018	38442	2531719	1.7379
	Purchase			30 Jun 2018	3530	2535249	1.7403
	At the end of the year					2535249	1.7403
3	Steadview Capital Mauritius Limited						
	At the beginning of the year	1676204	1.1506				
	Purchase			13 Apr 2018	88000	1764204	1.211
	Purchase			15 Jun 2018	150000	1914204	1.314
	Purchase			06 Jul 2018	29985	1944189	1.3346
	Purchase			13 Jul 2018	458940	2403129	1.6496
	Purchase			11 Jan 2019	141456	2544585	1.7467
	Sale			01 Feb 2019	-236600	2307985	1.5843
	Sale			08 Feb 2019	-43300	2264685	1.5546
	Sale			22 Feb 2019	-8056	2256629	1.549
	At the end of the year					2256629	1.549
4	Rajat Rajgarhia						
	At the beginning of the year	1716822	1.1785				
	Purchase			08 Jun 2018	5000	1721822	1.1819
	Purchase			13 Jul 2018	30000	1751822	1.2025
	Sale			25 Jan 2019	-48984	1702838	1.1689
	At the end of the year					1702838	1.1689
5	Franklin India Smaller Companies Fund						
	At the beginning of the year	17000	0.0117				
	Sale			13 Apr 2018	-1062	15938	0.0109
	Sale			20 Apr 2018	-8432	7506	0.0052
	Purchase			29 Sep 2018	8114	15620	0.0107
	Purchase			19 Oct 2018	736613	752233	0.5164
	Purchase			26 Oct 2018	39840	792073	0.5437
	Purchase			16 Nov 2018	298547	1090620	0.7486
	Purchase			07 Dec 2018	35534	1126154	0.773
	Purchase			14 Dec 2018	164466	1290620	0.8859
	Purchase			28 Dec 2018	49301	1339921	0.9198
	At the end of the year					1339921	0.9198
6	JP Morgan Funds						
	At the beginning of the year	1106280	0.7594				
	Sale			25 May 2018	-13700	1092580	0.75
	Sale			19 Oct 2018	-66120	1026460	0.7046
	Purchase			09 Nov 2018	46885	1073345	0.7368

ANNEXURE 6 TO THE BOARD'S REPORT *(Contd..)*

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year (As on April 1, 2018)		Transactions during the year		Cumulative Shareholding at the end of the year (April 1, 2018 to March 31, 2019)	
		No. of Shares held	% of total Shares of the Company	Date of transaction ⁽²⁾	No. of Shares	No of Shares held	% of total Shares of the company
	Purchase			16 Nov 2018	126625	1199970	0.8237
	Sale			14 Dec 2018	-21330	1178640	0.8091
	Sale			31 Dec 2018	-20880	1157760	0.7947
	Purchase			22 Mar 2019	169240	1327000	0.9109
	Sale			29 Mar 2019	-39110	1287890	0.8841
	At the end of the year					1287890	0.8841
7	JP Morgan Indian Investment Company (Mauritius) Limited						
	At the beginning of the year	1214034	0.8334				
	At the end of the year					1214034	0.8334
8	Kuwait Investment Authority Fund 226						
	At the beginning of the year	328700	0.2256				
	Purchase			20 Jul 2018	11000	339700	0.2332
	Purchase			07 Sep 2018	7000	346700	0.238
	Purchase			12 Oct 2018	89817	436517	0.2996
	Purchase			14 Dec 2018	57400	493917	0.339
	Purchase			21 Dec 2018	25200	519117	0.3563
	Purchase			01 Feb 2019	8290	527407	0.362
	Purchase			08 Feb 2019	150316	677723	0.4652
	Purchase			15 Feb 2019	48314	726037	0.4984
	Purchase			22 Feb 2019	121308	847345	0.5816
	Purchase			01 Mar 2019	108281	955626	0.656
	Purchase			08 Mar 2019	71732	1027358	0.7052
	Purchase			15 Mar 2019	121471	1148829	0.7886
	At the end of the year					1148829	0.7886
9	TIMF Holdings						
	At the beginning of the year	1041596	0.715				
	At the end of the year					1041596	0.715
10	Armor Qualified, LP						
	At the beginning of the year	968361	0.6647				
	Sale			25 May 2018	-10170	958191	0.6577
	Sale			01 Jun 2018	-18837	939354	0.6448
	Sale			08 Jun 2018	-30118	909236	0.6241
	Sale			15 Jun 2018	-57267	851969	0.5848
	Sale			22 Jun 2018	-12614	839355	0.5762
	Purchase			06 Jul 2018	4347	843702	0.5791
	Sale			13 Jul 2018	-39030	804672	0.5524
	Sale			03 Aug 2018	-12033	792639	0.5441
	Sale			10 Aug 2018	-30993	761646	0.5228
	Sale			17 Aug 2018	-9930	751716	0.516
	Sale			24 Aug 2018	-20375	731341	0.502
	Sale			07 Sep 2018	-2672	728669	0.5002
	Sale			14 Sep 2018	-3297	725372	0.4979
	Purchase			05 Oct 2018	6917	732289	0.5027
	Sale			02 Nov 2018	-13682	718607	0.4933
	Sale			09 Nov 2018	-10655	707952	0.486

ANNEXURE 6 TO THE BOARD'S REPORT (Contd..)

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year (As on April 1, 2018)		Transactions during the year		Cumulative Shareholding at the end of the year (April 1, 2018 to March 31, 2019)	
		No. of Shares held	% of total Shares of the Company	Date of transaction ⁽²⁾	No. of Shares	No. of Shares held	% of total Shares of the company
	Sale			16 Nov 2018	-109317	598635	0.4109
	Sale			23 Nov 2018	-54646	543989	0.3734
	Sale			30 Nov 2018	-33123	510866	0.3507
	Sale			07 Dec 2018	-22825	488041	0.335
	Sale			14 Dec 2018	-77046	410995	0.2821
	Sale			21 Dec 2018	-106846	304149	0.2088
	Sale			28 Dec 2018	-53760	250389	0.1719
	Sale			31 Dec 2018	-5458	244931	0.1681
	Sale			04 Jan 2019	-9885	235046	0.1613
	Sale			11 Jan 2019	-22794	212252	0.1457
	Sale			18 Jan 2019	-11556	200696	0.1378
	Sale			25 Jan 2019	-24104	176592	0.1212
	Sale			01 Feb 2019	-17531	159061	0.1092
	Sale			08 Feb 2019	-33032	126029	0.0865
	Sale			15 Feb 2019	-11955	114074	0.0783
	Sale			22 Feb 2019	-12524	101550	0.0697
	Sale			01 Mar 2019	-11902	89648	0.0615
	Sale			08 Mar 2019	-21133	68515	0.047
	Sale			15 Mar 2019	-32658	35857	0.0246
	Sale			22 Mar 2019	-26889	8968	0.0062
	Sale			29 Mar 2019	-8968	0	0
	At the end of the year					0	0
11	EM Resurgent Fund						
	At the beginning of the year	923704	0.6341				
	Sale			06 Apr 2018	-15808	907896	0.6232
	Sale			20 Apr 2018	-28929	878967	0.6034
	Sale			04 May 2018	-325870	553097	0.3797
	Sale			11 May 2018	-318650	234447	0.1609
	Sale			18 May 2018	-234447	0	0
	At the end of the year					0	0

⁽¹⁾ The Top Ten Shareholders as on April 1, 2018 and March 31, 2019 are been considered for the above disclosure.

⁽²⁾ Date of Transfer (Purchase/Sale) has been considered as the date on which the beneficiary position was provided by the Depositories to the Company.

v) Shareholding of Directors and Key Managerial Personnel (KMP)

Sr. No.	Name of the Director/KMP	Shareholding at the beginning of the year (As on April 1, 2018)		Transactions during the year		Cumulative Shareholding during the year (April 1, 2018 to March 31, 2019)	
		No. of Shares	% of total Shares of the Company	Date of transaction ⁽¹⁾	No. of Shares	No. of Shares	% of total Shares of the Company
1	Mr. Motilal Oswal (Chairman and Managing Director)						
	At the beginning of the year	1,16,39,607	8.02				
	Inter-se Transfer			September 28, 2018	-2,69,500	1,13,70,107	7.81
	Inter-se Transfer			January 30, 2019	-4,92,300	1,08,77,807	7.47

ANNEXURE 6 TO THE BOARD'S REPORT *(Contd..)*

Sr. No.	Name of the Director/KMP	Shareholding at the beginning of the year (As on April 1, 2018)		Transactions during the year		Cumulative Shareholding during the year (April 1, 2018 to March 31, 2019)	
		No. of Shares	% of total Shares of the Company	Date of transaction ⁽¹⁾	No. of Shares	No. of Shares	% of total Shares of the Company
	Inter-se Transfer			March 26, 2019	-7,15,736	1,01,62,071	6.98
	At the end of the year					1,01,62,071	6.98
2	Mr. Raamdeo Agarawal (Joint Managing Director)						
	At the beginning of the year	1,21,55,131	7.78				
	Inter-se Transfer			September 28, 2018	-2,69,500	1,18,85,631	7.55
	Inter-se Transfer			March 26, 2019	-823,560	1,10,62,071	6.98
	At the end of the year					1,10,62,071	6.98
3.	Mr. Navin Agarawal (Managing Director)						
	At the beginning of the year	70,04,010	4.84				
	At the end of the year					70,04,010	4.80
4.	Mr. Ajay Menon (Whole-Time Director)						
	At the beginning of the year	4,10,000	0.29				
	Transfer			February 7, 2019	-10,000	4,00,000	0.27
	At the end of the year					4,00,000	0.27
5	Mr. Vivek Paranjpe (Independent Director)						
	At the beginning of the year	-	-				
	At the end of the year					-	-
6	Mr. Praveen Tripathi (Independent Director)						
	At the beginning of the year	-	-				
	At the end of the year					-	-
7	Mrs. Sharda Agarwal (Independent Director)						
	At the beginning of the year	-	-				
	At the end of the year					-	-
8	Mrs. Rekha Shah (Independent Director)						
	At the beginning of the year	280	0.00				
	At the end of the year					280	0.00
9	Mr. Shalibhadra Shah (Chief Financial Officer)						
	At the beginning of the year	23,001	0.01				
	At the end of the year	-	-			23,001	0.01
10	Mr. Kailash Purohit (Company Secretary)						
	At the beginning of the year	-	-				
	At the end of the year					-	-

⁽¹⁾ Date of Transfer has been considered as the date on which the beneficiary position was provided by the Depositories to the Company.

ANNEXURE 6 TO THE BOARD'S REPORT (Contd..)

V. Indebtedness

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

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	81,597	61,229	–	142,826
ii) Interest due but not paid	48	–	–	48
iii) Interest accrued but not due	–	2,399	–	2,399
Total (i+ii+iii)	81,645	63,628	–	145,273
Change in Indebtedness during the financial year				
Additions	122,180	20,815	–	142,995
Reduction	81,645	63,628	–	145,273
Net Change	40,535	-42,813	–	-2,278
Indebtedness at the end of the financial year				
i) Principal Amount	122,180	19,771	–	141,952
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	1,044	–	1,044
Total (i+ii+iii)	122,180	20,815	–	142,995

VI. Remuneration of Directors and Key Managerial Personnel

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager				Total Amount
		Mr. Motilal Oswal	Mr. Raamdeo Agarwal	Mr. Navin Agarwal ⁽¹⁾	Mr. Ajay Menon ⁽²⁾	
1	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax, 1961.	2,40,00,000	2,40,00,000	7,98,53,400	2,34,45,452	15,12,98,852
	(b) Value of perquisites under Section 17(2) of the Income tax Act, 1961	1,29,949	36,64,766	43,600	74,600	39,12,915
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	–	–	–	–	–
2	Stock option (Number of options)	–	–	–	50,000	–
3	Sweat Equity	–	–	–	–	–
4	Commission	–	–	–	–	–
	– as % of profit	–	–	–	–	–
	– others (specify)	–	–	–	–	–
5	Others, please specify	–	–	–	–	–
	Total (A)	2,41,29,949	2,76,64,766	7,98,97,000	2,35,20,052	15,52,11,767
	Ceiling as per the Act	Within the overall limits of 10% of the Net Profit of the Company				

⁽¹⁾ Appointed as Managing Director w.e.f. August 21, 2018.

⁽²⁾ Appointed as Whole-Time Director w.e.f. August 21, 2018.

ANNEXURE 6 TO THE BOARD'S REPORT (Contd.)

A. Remuneration to other Directors:

(Amount in ₹)

Particulars of Remuneration	Independent Directors				Total Amount
	Mr. Vivek Paranjpe	Mr. Praveen Tripathi	Mrs. Sharda Agarwal	Mrs. Rekha Shah ⁽¹⁾	
(a) Fee for attending board and Committee meetings	1,40,000	1,60,000	90,000	80,000	4,70,000
(b) Commission	7,50,000	7,50,000	7,50,000	7,50,000	30,00,000
(c) Others, please specify					
Total (B)	8,90,000	9,10,000	8,40,000	8,30,000	34,70,000
Total Managerial Remuneration = (A) + (B)					
Overall Ceiling as per the Act.	Within the overall limits of 1% of the Net Profit of the Company				

⁽¹⁾ Appointed as Independent Director w.e.f. August 21, 2018.

B. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in ₹)

Sr. No.	Gross Salary	Mr. Motilal Oswal (CEO)	Mr. Shalibhadra Shah (CFO)	Mr. Kailash Purohit (CS)	Total Amount
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	–	1,21,06,876	19,73,753	1,40,80,629
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	–	62,900	–	62,900
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	–	–	–	–
2	Stock Option (Number of options)	–	25,000	–	–
3	Sweat Equity	–	–	–	–
4	Commission	–	–	–	–
	– as % of profit	–	–	–	–
	– others, specify	–	–	–	–
5	Others, please specify	–	–	–	–
	Total	–	1,21,69,776	19,73,753	1,41,43,529

VII. Penalties/Punishment/Compounding of Offences(Under Companies Act , 2013): None

For and on behalf of the Board of
Motilal Oswal Financial Services Limited

Motilal Oswal
Chairman and Managing Director
(DIN: 00024503)

Place : Mumbai
Date : May 11, 2019



Macro-level dynamics and Global variables made FY2019 a year full of volatilities.

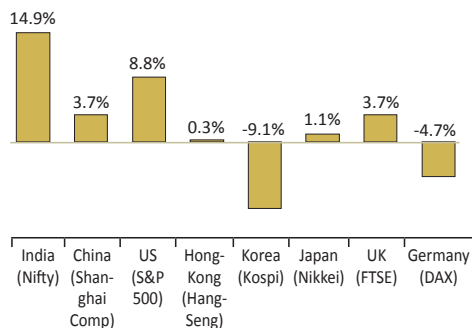
The fiscal year of 2019 marked the completion of NDA government’s 5 year term, with the nation-wide election results favouring majority for NDA government. The government’s thrust was more on digital initiatives and financial inclusion on the forefront. However, India’s speedy journey in terms of political and economic reforms faced national as well as international road-blocks in FY2019. Global trade war concerns between US and China made the global markets volatile. Any agreement on the same will be a welcome move, going ahead. At the domestic level, rupee faced volatility due to tightening of US rates and hovering crude oil prices. This was followed by the default of IL&FS which had a ripple effect on NBFCs and mid-caps, contributing to liquidity issues. The central bank and the government were prompt enough to stabilize the panic selling in the credit markets with open market operation (OMO). RBI during the year, hiked the policy rates by 50 bps followed by a rate cut of 25 bps in February. RBI has announced its second rate cut of FY2020 to the tune of 25 bps with a view to strengthen domestic growth impulses by spurring investments that remained sluggish. From a global perspective, until last month of FY2019, there was a continuous shift in stance by major central banks across the globe. For instance, until the end of last year, the US Fed was likely to hike rates at least twice this year. Even the European Commercial Bank remained adamant on withdrawing its stimulus program. This hawkish stance was seen to completely shift to dovish. The US Fed has now kept its rates steady and signaled that there would be no hikes for the rest of the year. The ECB, citing the sustained economic slowdown in the bloc, has announced a fresh round of stimulus in order to boost the ailing economy. These measures have seen a shift of FII flows from major economies to emerging markets.

Structurally, India’s future outlook remains optimistic with various fundamentals in favour. Firstly, in the coming years India is poised to gradually become the world’s youngest workforce after overtaking China. This combined with an increase in productivity will hugely benefit the economy. Although, IMF has softened the growth rate to 7.3% for FY20 from 7.5% citing weaker global outlook, it continues to maintain the fastest growing status for India.

The Equity Markets in FY2019 remained volatile but gave positive returns

The equity markets in FY2019 were exposed macro-events like NBFC liquidity crisis, mid-cap rally reversal, cross-border tensions coupled with political uncertainty. However, the revival in FII sentiments in last leg of the year paved the way for double digit positive benchmark returns. While, the large-cap benchmark, Nifty 50, rose 15% YoY in FY2019, the multi-cap benchmark, Nifty 500, rose 8.5% YoY. The indices witnessed a sharp fall in Q2 FY2019 post the default of IL&FS and consequent liquidity issues in the system. This was later coupled with cross-border tensions and political uncertainty before elections. The FII flows remained suppressed throughout the year but for the month of February and March, 2019 which witnessed stellar jumps in inflows owing to electoral expectations. As a result of this rally in last two months, the net inflow by FIIs achieved a grip and amounted to ₹ 26,882 crores vs ₹ 26,019 crores in FY2018. DII also witnessed net inflows for the 4th consecutive year, amounting ₹ 72,141 crores; however, was lower than ₹ 1,14,452 crores in FY2018. The Indian households, continued to hold the interest in equity mutual funds, who are incrementally viewing it as a long-term savings vehicle delivering higher inflation-adjusted returns as compared to fixed income products.

Benchmark Indices Performance in FY 2019



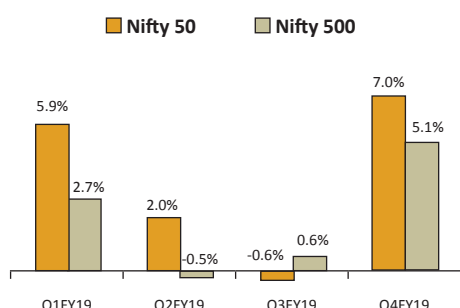
Source: Bloomberg

Historical P/E (x) Ratios of Nifty 50



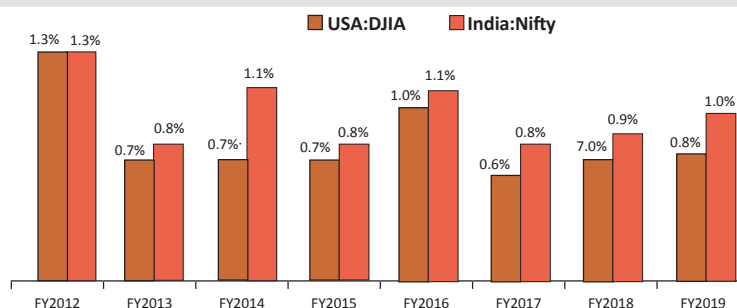
Source: NSE

Quarter-wise Returns (YoY) of NSE Indices across Market-Cap categories



Source: NSE

Volatility (Standard Deviation) of benchmark indices



Source: Bloomberg

Business Streams and Outlook:

Motilal Oswal Financial Services Limited (MOFSL) is a non-banking financial company (NBFC), registered under the Reserve Bank of India Act, 1934. MOFSL is diversified financial services company with fee based and lending business activity. MOFSL operates in businesses such as Retail and Institutional broking, Investment banking, Asset Management, Wealth Management, Private equity and Housing finance. In each of the businesses MOFSL offers unique value proposition to its customers and creates its niche in each of the business segment and command premium position over peers. MOFSL carries its lending business by running Loan against shares book and retail mortgage backed lending in affordable housing segment under the name of Motilal Oswal Home Finance Ltd.

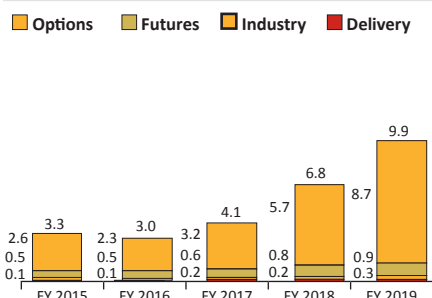
Ratings: During the year, CRISIL Limited reaffirmed the Credit Rating of “CRISIL A1+” the Commercial Paper Programme of ₹ 1300 crores of the Company. CRISIL Limited also reaffirmed the Credit Rating of “CRISIL A1+” to the Commercial Paper Programme of ₹ 250 crores of Motilal Oswal Finvest Limited, a subsidiary of the Company. ICRA Limited assigned the credit rating of [ICRA] AA” Rating with a stable outlook to the NCD Programme of ₹ 350 crores of the company. India Ratings and Research also assigned rating of “IND A1+” to Commercial Paper Programme of ₹ 1300 crores of Motilal Oswal Financial Services Limited. India rating also assigned rating of “IND A1+” to Commercial Paper Programme of ₹ 250 crores of Motilal Oswal Finvest Limited, a subsidiary of the Company. The ratings indicate a strong degree of safety regarding timely servicing of financial obligations.

Broking Business

Industry Facts

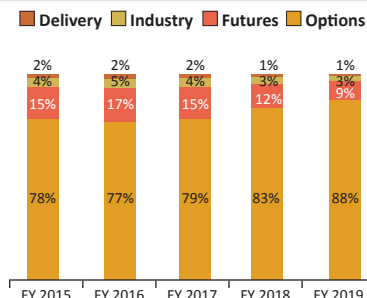
The average daily traded volumes (ADTO) for the equity markets during FY2019 stood at ₹ 9.93 lakh crores, up 46% YoY from ₹ 6.79 lakh crores in FY2018. The overall Cash market ADTO reported growth of 7% YoY at ₹ 35,180 crores in FY2019. However, the absolute growth was affected due to decrease in delivery, which saw de-growth of 8.2% YoY to ₹ 8,854 crores v/s 26% growth in FY2018. Within derivatives, futures volume rose 9.7% YoY to ₹ 87,564 crores while options rose 54% YoY to ₹ 8.70 lakh crores. Amongst cash market participants, retail constitutes 53% of total cash volume, institution constitutes 25% of total cash volume and prop constitutes 20%. Within institution, DII cash volumes increased 6% YoY to ₹ 3,627 crores vs 51% in the previous year, reflecting the lull market sentiments during the year. The proportion of DII in the cash market remained constant at 10.4%. The increase in demat accounts during the year stood at 12% with total number of accounts as on March 2019 at ₹ 3.59 crores. The revival in market sentiments along with clearer picture on political front is expected to give push to the primary market activities and overall volumes.

Average Daily Volumes (₹ Lakh Crores)



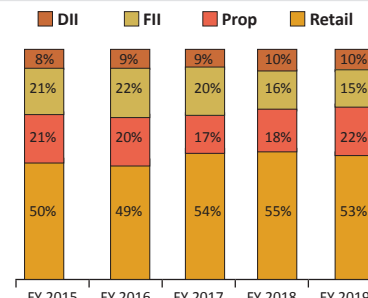
Source: NSE,BSE

Segment-wise Overall ADTO Proportions (%)



Source: BSE, NSE

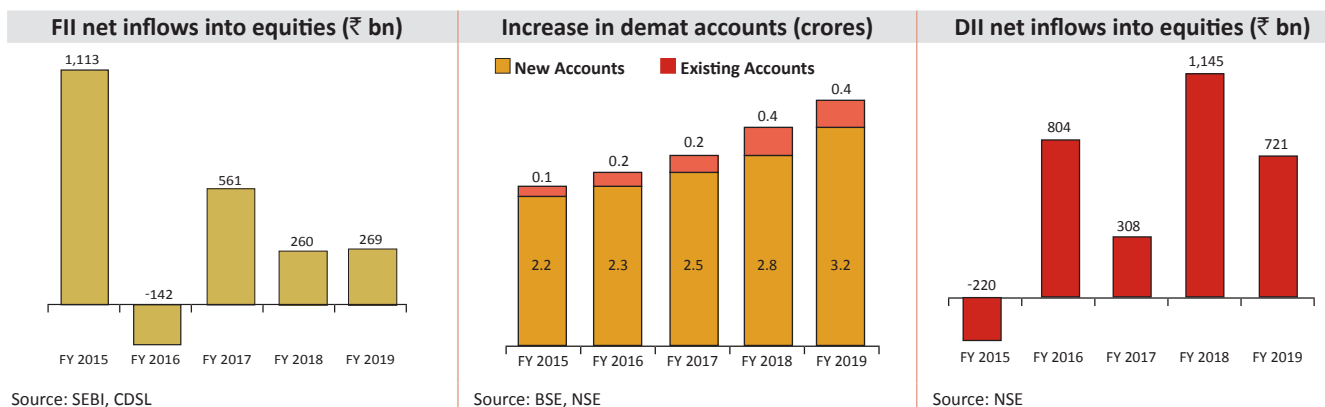
Cash Market mix (%)



Source: NSE,BSE

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

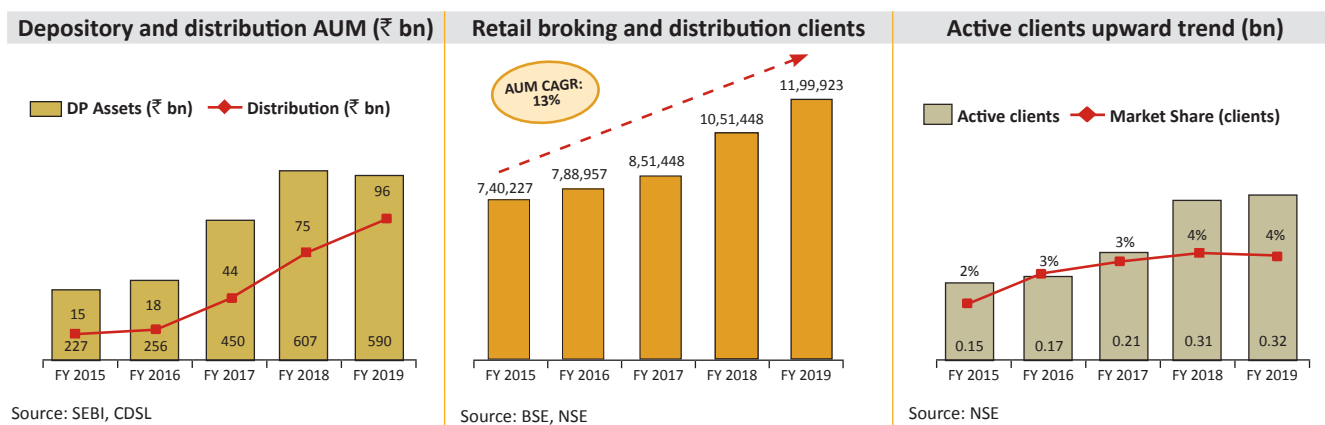
FII continued to witness net inflows from Indian equities during FY2019; although the flows remained under pressure for most of the year. Factors like IL&FS default and subsequent liquidity issues, cross border tensions, political uncertainty made the environment volatile for foreign investors. However, in the last two months, the alleviations of the issues brought the FII's confidence back. DIIs too saw net inflows for the 4th consecutive year, however, on YoY basis there was a significant decline due to fears on political front, liquidity issues and reversal of mid-cap rally. Despite such volatility, the Indian households are seen to hold the interest in equity and equity products with expectations of higher returns than traditional fixed income products.



Our Broking Business

Research and advisory form the foundation of the company's broking services. Brokerage serves participants across FIIs, domestic institutions, HNIs and retail. This business comprises of two distinct units - Retail Broking & Distribution and Institutional Equities.

Retail Segment: Services offered include equities, derivatives, commodities, currency, depository services, distribution of investments products like portfolio management services, mutual funds, primary equity offerings and other investment products.



Motilal Oswal Financial Services was successful in expanding its retail client base despite market headwinds during the year. The company had more than 11,99,923 retail broking and distribution clients growing at a CAGR of 13% from FY15-19. Client acquisition stood at ~1,50,000 during the year and has maintained the trend in last two years. Reflecting on the experiences and learnings in broking business, we adopted franchisee based model few years ago. This model has yielded dividends across cycles, particularly down-cycles. In this model, we partner with franchisees on a revenue share model and all the costs are entirely borne by franchisees. We have 2500+ franchisees spread across India. In FY2019 alone, we added 650 new franchisees and channel partners. Our business focus remained to improve our scale and competitiveness through enhanced customer experience, high-quality advisory, digital initiatives, assets-based product distribution, system-driven trading products and network expansion. We have robust dedicated advisory desks for mass-retail and affluent clientele. Our focus on knowledge, advisory, and client segmentation differentiates us from the threats of discount brokers.

We are progressively developing our distribution arm to achieve linearity in the cyclical nature of broking business. The distribution revenues now contribute ~14.4% of the gross broking income with continual increase in distribution AUM. Our financial product distribution AUM was ₹ 9,572 crores as of Mar 2019, up 27% YoY with net sales of ₹ 1,716 crores in FY2019. Our leverage on our

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

strong retail network to cross sell financial products provides room for scaling up the business. In addition, our client penetration at 16.3% of our total retail client base paves the way for growth scalability. We have made several investments in our digital initiatives to improve client servicing, cost and speed. Our app portfolio includes MO Investor and MO Trader, designed to match different consumer needs and experience. Our online volumes contribute ~40% of the total retail volumes traded. The traction in usage of mobile app has been encouraging with mobile app volumes to total online volume at ~67% in FY2019. Commodity business has seen significant traction where the market share almost doubled in FY2019 vs FY2016. Similar market share growth trend is also observed in currency business.

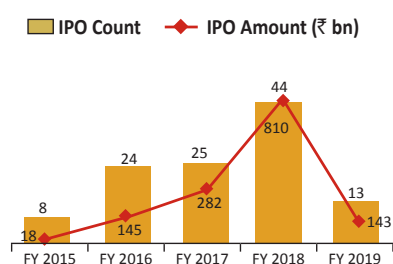
Institutional Broking: Our institutional broking provide offerings in the forms of cash and derivatives to domestic and foreign institutions. We continued to acquire new empanelment and maintained it with 678 institutions in FY2019. We witnessed improvement in rank in several key accounts led by broad-based team servicing. Also, there was a traction in Asia Money 2018 ranking. While we ranked #1 in events, conference and roadshows, we stood at #3 in three research categories, sales trading and overall sales. We continued to strengthen our competitive positioning through research offerings, corporate access outreach and sales and trading capabilities. Our research product portfolio in FY2019 consisted of 250+ companies which generated 750+ reports. Our corporate access domain has always been a focus area with execution of successful events like Annual Global Investor Conference (AGIC) and many unique events in India. We also launched our 1st Annual Edition of "India Ideation Conference" in 2019. Also, we engaged with several sectoral experts for domestic events. We continued our successful trend in conducting 'AGIC' which had a highest ever participation of 1100 clients with 110 from offshore base. The conference included 165 corporate and 21 main track sessions which were spread across 3 days.

Investment Banking

Industry Facts

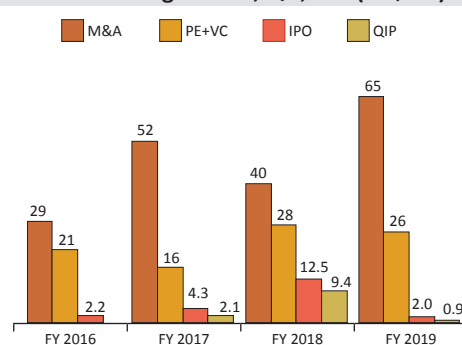
The year witnessed a lull period for IPO/ECM deals owing to the lack of confidence in the emerging markets. Out of 13 IPOs launched in FY2019, 9 IPOs were those where the DRHP had been filed in FY2018. The year saw only 21 ECM deal closures, compared to the 50-75 deal closures in the previous 2 years. The amount of funds raised through IPOs in FY2019 was ~₹ 14,300 crores vs ~₹ 81,000 crores in FY2018. The top four IPOs in terms of issue size were HDFC AMC, Varroc Engineering, Aavas Financiers and Chalet Hotels. The number of QIPs also remained muted at 12 in FY2019 from 52 in FY2018. The amount of funds raised through QIPs in FY2019 was ₹ 10,375 crores, vs ₹ 62,314 crores in the previous year. The sluggishness was extended to M&A activities too.

Fund Raising - IPO Markets (₹ bn)



Source: VC Circle, Internal Data

Fund Raising – M&A, QIP, IPO (US\$ bn)



Source: VC Circle, Internal Data

Our Investment Banking Business

FY2019 has been a year under pressure especially after exceptionally strong performance in FY2018. The primary reason being volatile market sentiments which led many companies to put their capital raising plans on hold. Despite the challenges, we were successful in delivering marquee transactions like Acquisition of Aurangabad Electricals by Mahindra CIE. In addition, we also concluded deals like PE advisory services to Happy Forgings (₹ 2 bn), QIP of HDFC Bank (₹ 28 bn), IPO of Indostar (₹ 18.4 bn), preferential issue of AU Small Finance Bank (₹ 10 bn) and OFS for LTI (₹ 18 bn). The deal pipeline remains robust.

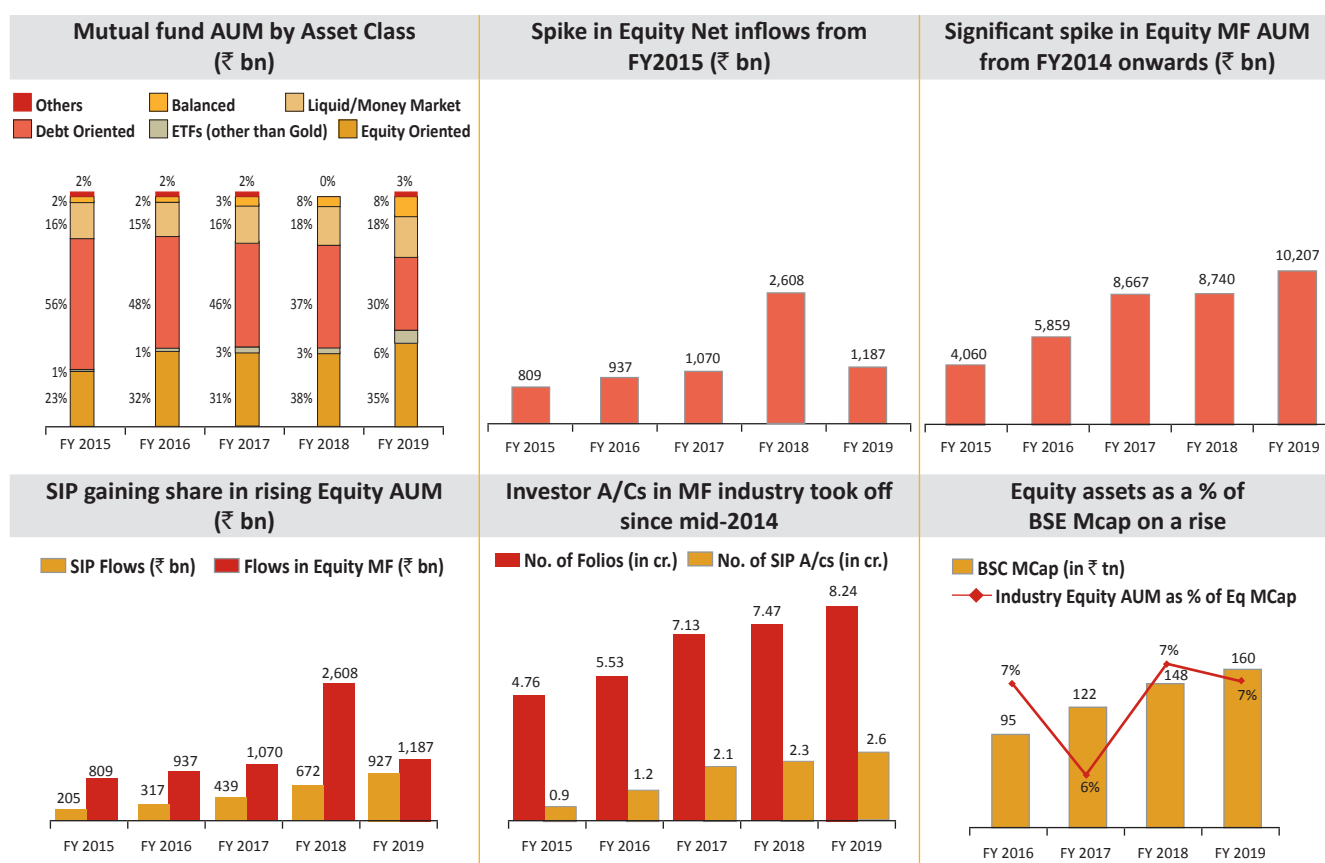
Asset Management

Industry Facts

Overall mutual fund industry AUM grew 11.4% YoY and reached high of ₹ 23.79 lakh crores in FY2019. On the front of equity mutual fund (excluding arbitrage and including balanced), AUM stood at ₹ 10.2 lakh crores contributing 43% of the total AUM. Despite higher

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

gross flows, the net inflows stood lower at ₹ 1.2 lakh crore vs ₹ 2.6 lakh crores in FY2018. The total flows were impacted due to higher redemptions with net outflows in Q2FY2019. The highlight of FY2019 includes rising SIP accounts and flows. The total SIP accounts stood at 2.6 crores while the SIP contribution increased 38% from ₹ 67,190 crores in FY2018 to ₹ 92,693 crores in FY2019. Also, the rising participation from retail and HNI segment remains encouraging. The HNI and retail equity folios increased 21% YoY and 15% YoY, respectively (HNIs is defined as individuals who invest ₹ 5 lakhs and above) and stood at 47 lakh and 7.7 crores, respectively. During the year, the asset management companies were exposed to various regulatory changes like ban on upfront fees, change in direct TERs for MF (from October 23, 2018), and slab wise TER changes (from April 1, 2019). The rationale behind the regulatory change is to increase participation in mutual funds which bodes well for the industry in the long term.



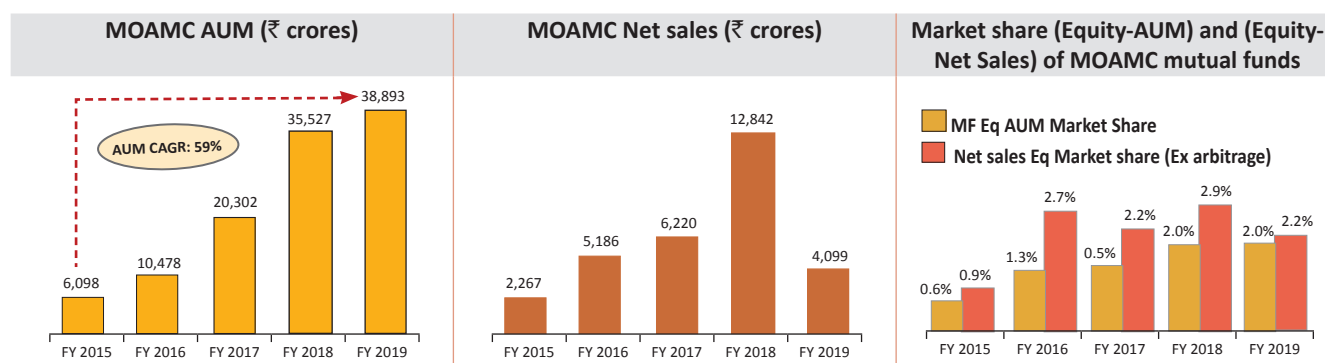
Source: AMFI

Our Asset Management Business

Motilal Oswal Asset Management (MOAMC) operates PMS, AIF and Mutual Fund (MF) in the public equities space. MOAMC has crafted its niche with majority of AUM in equities. Our public market AUM was ₹ 38,893 crores as of Mar 2019, up 9% YoY. Within this, the mutual fund AUM was up 10% YoY to ₹ 19,979 crores, PMS AUM was up 7% YoY to ₹ 15,996 crores and AIF AUM was ₹ 2,759 crores. The effect of industry wide impact on net sales was also seen in our AMC's net sales which stood at ₹ 4,099 crores in FY2019. However, the pick-up in the same in the context of the closing AUM provides visibility of continued strong growth in AUM. We firmly believe in our QGLP philosophy which has rewarded us over the years in terms of performance and will continue to hold and improve it. Our AMC business has always been the promoter of trail based model and hence, the ban on upfront fee structure has been in our favour. With respect to the direct TER changes, we have accounted the same with minimal impact. Coming to the slab wise TER changes, the effect of which will be seen in FY20, we do not foresee any material impacts as our AUM is well positioned with 50% of it consisting of alternative assets(PMS and AIFs) as against industry dynamics. Also, the majority of the impact has been passed on to the distributors. On a blended basis, our net yields stand at ~0.9% in FY2019. As of Mar 2019, ~19% of our non-MF AUM was performance-fee-linked, within which AIF was entirely performance-based. We aim to push more performance-linked AUM in both PMS and AIF, as it should help push net yields. Our rank in Equity AUM improved to 11 from 14 two years ago whereas we continued to remain market leader in PMS industry. Our ~2% market share in Equity MF AUM is expected to improve as we scale up further. The industry wide passing of TER cuts to distributors will ensure sale of quality MF products by them. This puts products

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

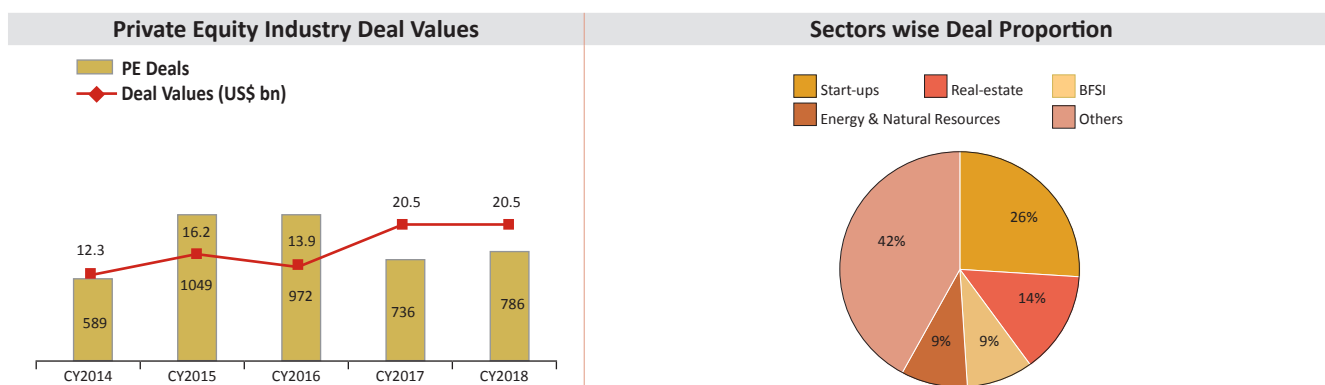
by MOAMC in a sweet spot. We have significantly invested in branding and advertising in past few years and the same has started realizing benefits in terms of brand-recall in the long term. While our business has built a strong positioning across the domestic institution segment, it is now in process of tapping global pools of capital with offshore initiatives. We are expecting traction in our offshore assets, going forward.



Private Equity

Industry Facts

As per Grant Thornton's report, the total PE deals during CY18 were 786 with the deal value of ~US\$ 21 bn. India's PE investment values in CY18 witnessed a sharp increase on account of 47 investments of value greater than US \$100 mn including 6 US\$ 500 mn+ deals. The start-ups have continued to gain from PE funds with total contribution of 59% and 26% in terms of number of deals and deal value, respectively. The digital space especially 'fintechs' witnessed a continued momentum with more than 30 deals in since 2017. The major names include Razorpay, Faircent, MobiKwik, Trupay, etc. CY18 also saw interests from major global funds like Canada Pension Plan Investment Board (CPPIB), Oman India Joint Investment Fund, Abu Dhabi Investment Authority, GIC, Temasek, etc. In the past few years, the government was successful in implementing friendly regulations like removal of initial public offering (IPO) lock up for AIF investors, banks being allowed to invest in AIF 1 and 2 domestically, and clarification on the characterisation of tax for AIF and blanket exemption from angel tax for all start-ups. This put together is expected to bode well for the private markets in the long term.



Source: Grant Thornton

Our Private Equity Business

MOPE Investment Advisors manages three growth capital funds and four real estate funds. The QGLP philosophy is extended in private businesses too. The growth funds focus on themes that may benefit from structural changes like domestic consumption, domestic savings, infrastructure, etc. MOPE Funds have been successful in gaining investors' confidence with stellar returns over the years. IBEF I has delivered a portfolio XIRR of 27% and is expected to return ~6x MoC (Multiple of Cost). Fund II has committed 100% across 11 investments so far after raising commitments from marquee institutions and exits from fund will contribute, going forward. Strong performance and positioning has enabled MOPE to raise Fund III ("IBEF-III") in very quick succession to Fund II. Fund III was launched in FY2018 which, after exhausting its green-shoe option, stands fully raised at ~₹ 2,300 crores. Fund III has

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

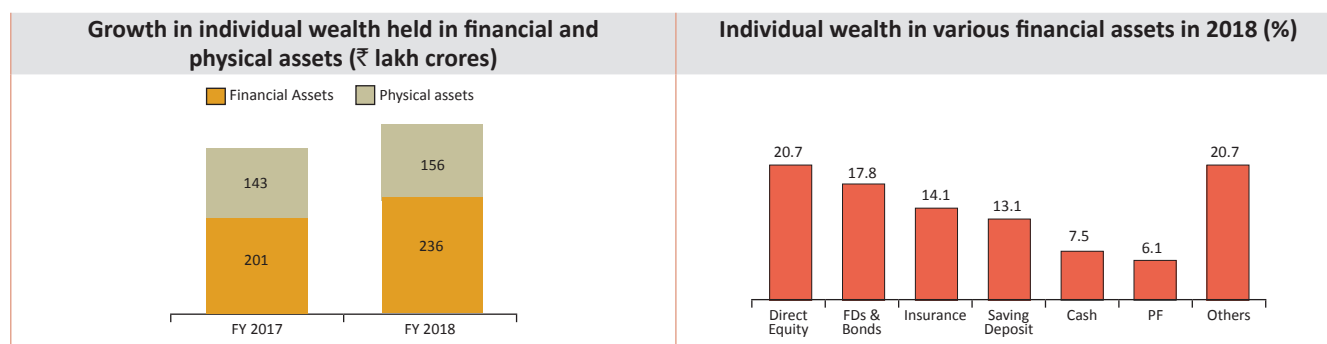
already deployed ~₹ 820 crores across 4 investments and has a robust deal pipeline for investments going forward. Strong brand, trust aided by performance is aiding new fund raising.

The encouraging performance is not limited to growth funds but real estate funds too. IREF I has fully exited from all 7 investments, translating into ~118% capital returned to investors. IREF II is fully deployed across 14 investments. The Fund has secured 7 complete exits and 1 structured exit and has returned money equaling ~107.5% of the Fund Corpus back to the investors. Average IRR on exited investments is ~21.3%. IREF III is ~89% deployed across 20 investments. The Fund has secured 3 full exits and has returned money equaling ~17.73% of Investible Funds back to the investors. Average IRR on exited investments is ~22.1%. IREF IV launched with a target size of ₹ 1200 crores has achieved 2nd close at ~₹ 850 crores. The Fund has made 4 investments. Going forward, our focus will be on opportune on growth stories in private space and provide best returns through our existing and future funds.

Wealth Management

Industry Facts

As per latest Karvy Wealth Report, India's individual wealth stands at ₹ 392 lakh crores as of FY2018 which has grown at 14% on YoY basis. More-over the proportion of financial assets in the total wealth has grown to 60% in FY2018 from 58% in FY2017. The financial assets grew at 17% YoY to ₹ 236 lakh crores. The mix of financial assets was more inclined towards equity and equity products. The increase in direct equity proportion from ~19% to ~21% and proportionate decrease in traditional fixed income products like fixed deposits and insurance stands out to be a highlighted fact. However, the composition of equities in overall assets is still very less in India, as compared to the world. As per the IIFL Wealth Management Wealth Index 2018, India is home to more than 3 lakh wealthy individuals with a combined net worth of more than ₹ 95 trillion. It is also estimated that India's wealthy population will grow at a CAGR of 13.3% over next 3 years. The estimated growth rate is far more than global average of ~3% which portrays the growth potential for wealth management industry in India.



Source: Karvy Private Wealth Report 2018

Our Wealth Management Business

Our wealth management AUM and Net Sales continued its growth momentum. While our wealth AUM grew 18.7% YoY from ₹ 14,713 crores to ~₹ 17,463 crores during FY2019, the net sales remained stable at ₹ 2,364 crores despite volatile market conditions. We implemented conservative approach in Relationship Manager (RM) additions in this volatile year and rather focused more on training and knowledge development. We follow philosophy of 'home grown talent' which involves lower-cost junior RMs to assist the senior RMs to expand their books, while getting mentored to take a bigger role in the future. The significant RM additions in previous year led to the rise in costs and pressure on margins. However, the rise in RM vintage and play of operating leverage will lead to scaling up of margins. The client acquisition too saw an encouraging growth with number of families under our business increasing 19% YoY to 3,719. This traction was largely a result of our RM base and our advisory capabilities. Our product mix contains ~62% of the equity products which helps in garnering higher yields. Also, inclination towards trail based model since inception has kept the business immune from any regulatory changes. The trail income from this business covers 72% of cost which will provide cushion to margins in downturn.

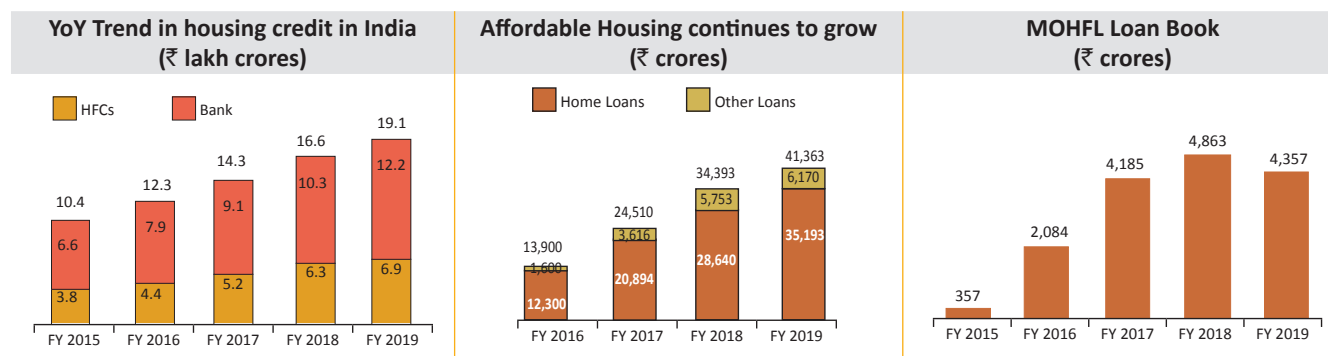
Housing Finance

Industry Facts

As per ICRA's report, the total outstanding housing credit as on March 2019 stood at ₹ 19.1 lakh crores which grew at ~15% from FY2018. Out of the total outstanding credit, HFCs contributed ₹ 6.9 lakh crores. The share of HFCs in the credit portfolio witnessed a

MANAGEMENT DISCUSSION AND ANALYSIS (Contd..)

slight dip to 36% from 38% in FY2018, mainly on account of muted growth of ~9%. The dip in growth owed to liquidity crisis during second half of the year which limited the pace of disbursements. Also, the HFCs resorted to higher activity in securitisation of assets to maintain the liquidity balance. The stagnant growth in HFCs was opportune by banks which grew their housing portfolio at ~18% YoY in FY2019. On the front of affordable housing finance, the credit growth continued its growth momentum at ~20% YoY showing relatively less impact from liquidity issues. This was majorly due to NHB's liquidity support and robust demand. The affordable housing space continues to be a center of traction for new HFCs aided by favourable government policies and robust demand scenario.



Source: ICRA

Our Housing Finance Business

We cater to pure-retail affordable housing space through Motilal Oswal Home Finance (previously known as Aspire Home Finance Corporation). During the year, we concentrated our efforts in re-building our home finance business in terms of processes, system, manpower and structure to strengthen our business. As a result, we followed a conservative approach in our disbursements which stood at ₹ 290 crores in FY2019. The loan book stood at ₹ 4,357 crores across 52,000+ families as of Mar 2019. Our average ticket-size continued to be lower at ₹ 8.5 lakhs in FY2019. We have put in place a vertical organization structure comprising sales, credit, collection and legal team. The implementation of cluster level credit layer along with 5 layer credit approval system based on loan ticket sizes and differentiated pricing methodology for loans based on risk type should likely result in improve underwriting, going forward. Macro-economic events like demonetization, RERA and GST and absence of the collection engine coupled with lack of vertical structure earlier led to surge in NPAs. We have written off loans worth ₹ 290 crore in FY2019 as a conservative policy. We expect the recoveries from write off pool, given the robust collections and legal team now in place. We have infused ₹ 200 crores during the year and this takes the total capital infused to ₹ 850 crores. This also represents the conviction we have over our efforts to revive this business. Our gearing remains modest at 4.3x as of Mar 2019. Our liability profile remains diversified with ~57% of the borrowings from the capital markets in the form of NCDs and ~43% from banks. We have negligible exposure to CPs. MOHFL had credit lines from 27 banks as of Mar 2019. We have invested significantly in technology to reduce operational costs and turnaround-times. Also, the mobile apps for sales and credit teams coupled with newly framed processes are expected to deliver much better outcomes in future. FY2019 loan portfolio consisted of salaried and self-employed in the ratio of 52:48. However, going forward, our focus would be more on self-employed segment which will enhance our yields.

Fund based activities focusing on 'skin in the game' approach and enhancing Return on Equity

In line with the long term strategy to grow RoE sustainably to 20%+, MOFSL had made strategic allocation of capital to long term RoE enhancing opportunities like Motilal Oswal Home Finance Ltd., and sponsor commitments to our mutual fund and private equity funds. As of Mar 2019, our investments in quoted equity investments stood at ₹ 1,004 crores (at cost) and ₹ ~380 crores into private equity funds. Unrealized gain on all investments was ₹ 650 crores. These unrealized gains on investments have been reported in the P/L account for the year. The reported ROE was 10% for the year and will grow followed by exits in private equity funds, as and when they reach their exit-stage.

Key Ratios

The ROE during the year FY2019 stood at 10% vs 29% in FY2018. Drop in ROE was primarily on account of loss booked in housing finance business owing to higher write-offs. EBITDA margins stood at 37% in FY2019 whereas the net profit margin stood at 11.7%. Debt to Equity ratio stands at 1.7x with interest coverage ratio at 1.74.

Opportunities and Threats

Opportunities

- Long-term economic outlook positive, will lead to opportunity for financial services
- Growing Financial Services industry's share of wallet for disposable income.
- Regulatory reforms would aid greater participation by all class of investors
- Leveraging technology to enable best practices and processes
- Corporates looking at consolidation / acquisitions / restructuring opens out opportunities for the corporate advisory business

Threats

- Execution risk
- Short term economic slowdown impacting investor sentiments and business activities
- Slowdown in global liquidity flows
- Increased intensity of competition from local and global players
- Market trends making other assets relatively attractive as investment avenues

Strengths

• **Strong Brand name**

'Motilal Oswal' is a well-established brand among retail and institutional investors in India. MOFSL believes that its brand is associated with high quality research and advice as well as corporate values like integrity and excellence in execution. The company has been able to leverage its brand awareness to grow its businesses, build relationships and attract and retain talented individuals.

• **Experienced top management**

The promoters, Mr Motilal Oswal and Mr Raamdeo Agarawal are qualified chartered accountants with over three decades of experience each in the financial services industry. The top management team comprises qualified and experienced professionals, with a successful track record. The company believes that its management's entrepreneurial spirit, strong technical expertise, leadership skills, insight into the market and customer needs provide it with a competitive strength, which will help to implement its business strategies.

• **Integrated financial services provider**

The broad range of offerings under Broking and Distribution, Institutional Equities, Asset Management, Wealth Management, Investment Banking, Private Equity and Housing Finance business, helps to foresee client requirements and provide full-fledged services under single platform. The production and distribution of all financial products and services helps the company's advisors and clients to attain client's financial objectives with best in class services.

• **Independent and insightful research**

MOFSL believes that its understanding of equity as an asset class and business fundamentals drives the quality of its research and differentiates it from its competitors. The research team is focused on equities, derivatives and commodities.

• **One of largest distribution network – 2,500+ outlets across 600 cities**

MOFSL's financial products and services are distributed through a pan-India network. The business has grown from a single location to a nationwide network spread across 2,500+ business locations operated by business associates or directly through own branches in 600 cities. This extensive network provides opportunities to cross sell products and services, particularly as the company diversifies into new business streams. In addition to the geographical spread, MOFSL also offers an online channel to service customers.

• **Established leadership in Franchisee business**

One of the key strengths has been the successful establishment of the franchisee business. The company's relationship with the franchisees has become stronger as they grew. MOFSL has multiple business partner models in franchising and is strongly committed to enhance growth and profitability of each of its franchisee.

MANAGEMENT DISCUSSION AND ANALYSIS *(Contd..)*

- **Strong risk management**

Risk exposure is monitored and controlled through a variety of separate but complementary financial, credit, operational, compliance and legal reporting systems. Risk management department analyses this data in conjunction with the company's risk management policies and takes appropriate action where necessary to minimize risk.

- **State of art infrastructure**

MOFSL has consolidated its businesses under one Corporate Office – Motilal Oswal Towers. The integration of multiple MOFSL businesses provides a great opportunity to present a holistic solution to client needs and facilitates the “One Firm” philosophy. The infrastructure has been extensively leveraged upon to build deeper connect with our customers, business partners and corporates.

- **Financial prudence**

MOFSL's operating margins continue to remain stable despite the fluctuations in market volumes and revenues. This is a result of creating a robust business model that can withstand the cyclical fluctuations in business volumes and simultaneously capture the opportunities provided by the structural growth of India. During the year, CRISIL Limited reaffirmed the Credit Rating of “CRISIL A1+” the Commercial Paper Programme of ₹ 1300 crores of the Company. CRISIL Limited also reaffirmed the Credit Rating of “CRISIL A1+” to the Commercial Paper Programme of ₹ 250 crores of Motilal Oswal Finvest Limited, a subsidiary of the Company. ICRA Limited assigned the credit rating of [ICRA] AA” Rating with a stable outlook to the NCD Programme of ₹ 350 crores of the company. India Ratings and Research also assigned rating of “IND A1+” to Commercial Paper Programme of ₹ 1300 crores of Motilal Oswal Financial Services Limited. India rating also assigned rating of “IND A1+” to Commercial Paper Programme of ₹ 250 crores of Motilal Oswal Finvest Limited, a subsidiary of the Company. The ratings indicate a strong degree of safety regarding timely servicing of financial obligations.

Risks and concerns

The company is primarily exposed to credit risk, interest rate risk, liquidity risk and operational risks. Internally, it has constituted the Asset Liability Management Committee to manage these risks. This team identifies, assesses and monitors all principal risks in accordance with defined policies and procedures. The committee is headed by the Chairman & Managing Director.

The Board Level Committees viz. Audit Committee and Risk Management Committee oversee risk management policies and procedures. It reviews credit and operational risks while the Asset Liability Management Committee reviews policies in relation to investment strategy and other risks like interest rate risk and liquidity risk.

Internal control systems and their adequacy

The company's internal control systems are adequate and provide, among other things, reasonable assurance of recording transactions of operations in all material respects and of providing protection against significant misuse or loss of company assets.

Internal audit is conducted by Aneja and Associates, to assess the adequacy of the internal controls procedures and processes, and their reports are reviewed by the Audit Committee of the Board. Policy and process corrections are undertaken based on inputs from the internal auditors.



Report on Corporate Governance

[As per regulation 34(3) read along with Schedule V(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)]

Corporate Governance Philosophy

The Company has set itself the objective of achieving excellence in its business. As a part of its growth strategy, the Company believes in adopting the ‘best practices’ that are followed in the area of Corporate Governance. The Company’s Philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

The Company continuously monitors its governance practices and benchmarks itself to the best governed companies across the industry. The Company believes in pursuing holistic growth and realizes its responsibility towards its stakeholders and environment. The Board considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth. The Company’s comprehensive Corporate Governance practices ensures that the Company always works optimally, protecting the best interests of the stakeholders and withholding the reputation and status of the Company.

Board of Directors (“Board”)

Composition of Board:

The Company is in compliance with the provisions of Section 149 of the Companies Act, 2013 (“the Act”) and Regulation 17 of the Listing Regulations. As on March 31, 2019, the Board consists of Eight Directors comprising of Four Executive Directors and Four Independent Directors including two Woman Directors. The Company has an Executive Chairman, and thus, 50% (Fifty Percent) of the total number of Directors are Independent. The Management of the Company is headed by Mr. Motilal Oswal, Chairman & Managing Director, who operates under the supervision and control of the Board. The Board reviews and approves strategy and oversees the actions and results of management to ensure that the long-term objectives of enhancing stakeholders’ values are met.

All the Independent Directors have confirmed to the Board that they meet the criteria for Independence in terms of the definition of ‘Independent Director’ stipulated under

Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act. These confirmations have been placed before the Board.

There were no material, financial and /or commercial transactions entered into between the Senior Management and the Company which could have potential conflict of interest with the Company at large. None of the Directors of the Company are inter-se related to each other.

Board Process:

The Board meets at regular intervals to discuss and decide on Company’s business policy and strategy apart from other normal business. The Board Meetings (including Committee Meetings) of the Company are scheduled after getting confirmation on dates from Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board’s approval is taken by passing resolution(s) by circulation, as permitted by law, which is noted in the subsequent Board Meeting.

The detailed Agenda as approved by the Chairman & Managing Director together with the relevant attachments is circulated to the Directors in advance. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions.

Where it is not practicable to circulate any document in advance or if the agenda is of a confidential nature, the same is tabled at the meeting. In special and exceptional circumstances, consideration of additional or supplementary items is taken up with the approval of the Chair and majority of the Independent Directors. Senior Management Personnel are invited to the Board / Committee meeting(s) to provide additional inputs for the items being discussed by the Board / Committees thereof as and when necessary. The Chairman & Managing Director appraises the Board at every meeting on the overall performance of the Company, followed by the detailed presentation by Chief Financial Officer of the Company.

The Company Secretary is responsible for preparation of the Agenda and convening of the Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees, advises / assures the Board on Compliance and Governance principles and ensures appropriate recording of minutes of the meetings.

For facilitating circulation of Board folders in electronic form and reducing consumption of papers, the Company has adopted a web-based application for transmitting Agenda, Minutes and other papers relating to Board / Committee Meeting(s). The Directors of the Company receive the Board papers in electronic form through this application, which can be accessed only through i-Pad. The

application meets the high standards of security and integrity that is required for storage and transmission of Board / Committee Agenda and Minutes in electronic form.

The Board provides the overall strategic direction and periodically reviews strategy and business plans, annual operating and capital expenditure budgets and oversees the actions and results of the management to ensure that the long term objectives of enhancing shareholders' values are met. The Board also, inter alia, considers and reviews investment and exposure limits, adoption of quarterly / half-yearly / annual results, transactions pertaining to purchase / disposal of property, major accounting provisions and write-offs, Minutes of Meetings of the Audit and other Committees of the Board, Minutes of the Meetings of the Subsidiary Companies and information on recruitment of officers at the Board level and the Key Managerial Personnel. The Board periodically reviews compliance reports of all laws applicable to the Company.

The draft Minutes of the proceedings of the meetings of the Board / Committee(s) are circulated to all the members of the Board or the Committee for their perusal, within fifteen days from the date of the conclusion of the Meeting. Comments, if any, received from the Directors are incorporated in the Minutes, in consultation with the Chairman & Managing Director. The Minutes are approved by the members of the Board / Committee(s), prior to the next meeting and confirmed thereat.

Information to the Board:

The Board has complete access to the information within the Company, which inter alia includes–

- Annual revenue budgets and capital expenditure plans of the Company and its subsidiaries.
- Quarterly results and results of operations of subsidiaries.
- Financing plans of the Company.
- Minutes of the meetings of the Board of Directors and Committees of the Board.
- Minutes of the Board Meetings of subsidiaries.
- Details of potential acquisitions or collaboration agreement, if any.
- Material default, if any, in the financial obligations to and by the Company or substantial non-payment for services rendered, if any.
- Any issue, which involves possible public liability claims of substantial nature, including any judgment or order, if any, which may have strictures on the conduct of the Company.
- Developments in respect of human resources.
- Non-compliance of any regulatory, statutory nature or listing requirements and investor service such as non-payment of dividend, delay in share transfer, etc., if any.

Performance Evaluation

In terms of provisions of the Act read with Rules issued there under and Regulations 17 and 19 of the Listing Regulations, the Board, on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees was carried out for the financial year ended March 31, 2019. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the environment and effectiveness of their contribution, etc.

Meeting of Independent Directors

Section 149(8) of the Act read with Schedule IV of the Act requires the Independent Directors of the Company to hold at least one meeting in a year, without the attendance of non-independent directors and members of the management. The Independent Directors of the Company met on August 21, 2018, pursuant to the provisions of the Act and the Listing Regulations. The Chairman of said Meeting of Independent Directors was Mr. Praveen Tripathi.

Familiarization Programmes for Independent Directors

The Company has conducted the familiarisation programmes for Independent Directors during the Financial Year ("FY") 2018-19. The Programmes aims to provide insights into the Company to enable the Independent Directors to understand its business in depth, to familiarise them with the functioning, operations and business of the Company and to assist them in performing their role as Independent Directors of the Company. The Company's Policy of conducting the familiarisation programmes along with the details of the programmes imparted to the Independent Directors has been disclosed on the website of the Company at <https://www.motilaloswalgroup.com/Downloads/IR/79247375Familiarization-Programmes-for-Independent-Directors.pdf>

Matrix setting out the Skills/expertise/competence of the Board of Directors

The Directors of the Company possesses the following skills / expertise / competences:-

- Compliance, Legal, Accounting, Finance, Market Research, Consultancy, Marketing, Human Resources, Business Compliance Software, Information Technology and Expertise in various businesses like Broking & Distribution, Wealth Management, Housing Finance, Private Equity, Institutional Equities, Investment Banking, Asset Management, Loan Against Securities.

Board Meetings held during the year

During the FY 2018-19, the Board met four times i.e. on May 21, 2018, August 21, 2018, October 30, 2018 and January 16, 2019. The maximum gap between any two meetings was not more than one hundred and twenty days. The required quorum was present at all the above meetings. The meetings of the Board are generally held at the Registered Office of the Company.

Attendance & Other Details

The attendance of the members of the Board at the meetings held during the FY 2018-19 and at the previous Annual General Meeting ("AGM") held on September 27, 2018 and also the number of other Directorships and Memberships / Chairmanships of Committees held by them as on March 31, 2019 are as follows:

Name of the Director	Category	DIN	Board Meetings		Attendance at the previous AGM	Number of Directorships and Committee Membership / Chairmanship (including in Company)			No. of Independent Directorships ⁽³⁾ (including in Company)
			No. of meetings held during the year	No. of meetings attended		Directorship ⁽¹⁾	Member ⁽²⁾	Chairman ⁽²⁾	
Mr. Motilal Oswal	C&MD	00024503	4	4	Present	9	3	–	–
Mr. Raamdeo Agarawal	JMD	00024533	4	4	Present	7	3	–	–
Mr. Navin Agarwal	MD	00024561	4	4	Present	6	1	–	–
Mr. Ajay Menon ⁽⁴⁾	WTD	00024589	4	3	Present	4	–	–	–
Mr. Vivek Paranjpe	ID	03378566	4	4	Present	2	1	–	2
Ms. Rekha Shah ⁽⁴⁾	ID	07072417	4	3	Present	3	3	1	1
Mr. Praveen Tripathi	ID	03154381	4	4	Present	5	2	1	2
Ms. Sharda Agarwal	ID	00022814	4	3	Present	4	2	1	2

P – Promoter C – Chairman MD – Managing Director JMD – Joint Managing Director WTD – Whole-Time Director ID – Independent Director

Notes:

- ⁽¹⁾ Section 8 companies are excluded.
 - ⁽²⁾ Memberships include Chairmanships. Only memberships of Audit Committee and Stakeholders Relationship Committee are considered. This includes memberships in deemed public company.
 - ⁽³⁾ Only Equity listed companies are considered.
 - ⁽⁴⁾ Appointed on Board of the Company w.e.f. August 21, 2018.
- None of the Directors on the Board are Member of more than 10 Committees and Chairman of more than 5 Committees across all listed entities in which they hold Directorship.
 - None of the Independent Directors hold office as an Independent Director in more than seven equity listed companies.
 - Further, no Executive Director of the Company is serving as an Independent Director in any company.

Details of Directorship in Listed Entities as on March 31, 2019

The details of directorship held by Directors of the Company in other listed entities as on March 31, 2019 are as follows:-

Sr. No.	Name of the Director	Name of the Listed Entity*	Category of Directorship
1	Mr. Vivek Paranjpe	Power Mech Projects Limited	Independent Director
2	Mr. Praveen Tripathi	Kisan Mouldings Limited	Independent Director
3	Ms. Sharda Agarwal	Future Lifestyles Fashion Limited	Independent Director

* Equity Listed Entities are covered

Committees of the Board:

With a view to have a more focused attention on the business and for better governance and accountability, the Board has constituted various below mentioned Committees for compliance and/or administrative purpose, comprising of Executive and Non-Executive Directors. All decisions pertaining to the constitution of the Committees, appointment of members and fixing of terms of reference for the Committee is taken by the Board of Directors. The Committees make specific recommendations to the Board on various matters whenever required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval:-

- 1) Audit Committee;
- 2) Nomination and Remuneration Committee;
- 3) Stakeholders Relationship Committee;
- 4) Corporate Social Responsibility Committee;
- 5) Risk Management Committee;
- 6) Finance Committee
- 7) Business Responsibility Committee

1) Audit Committee

The terms of reference of the Committee are as follows:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act.
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism / Vigil Mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
20. To review the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on April 01, 2019.

Composition, Meetings and Attendance:

During the FY 2018-19, the Audit Committee met four times i.e. on May 21, 2018, August 21, 2018, October 30, 2018 and January 16, 2019. The maximum gap between any two meetings was not more than one hundred and twenty days. The details of the Composition of the Committee, number of meetings held and the attendance of the Members are given herein below:-

Name of the Member	Category	Designation in the Committee	No. of Meetings	
			Held	Attended
Mr. Praveen Tripathi	ID	Chairman	4	4
Mr. Vivek Paranjpe	ID	Member	4	4
Mr. Raamdeo Agarawal	JMD	Member	4	4
Ms. Sharda Agarwal	ID	Member	4	4
Ms. Rekha Shah ⁽¹⁾	ID	Member	4	2

⁽¹⁾ Appointed as Member w.e.f. August 21, 2018

Mr. Sudhir Pillai, Partner of Walker Chandiook & Co. LLP, Chartered Accountants, Statutory Auditors and Mr. Naren Aneja, Aneja & Associates, Internal Auditors are permanent invitees to the Audit Committee Meetings. The internal auditor reports directly to the Audit Committee.

2) Nomination and Remuneration Committee

The terms of reference of the Committee are as follows:

1. Formulate criteria to qualify individuals who may become Director or who may be appointed in senior management level of the Company and recommend to the Board of such appointments and removal.
2. Carry out performance evaluation of all Directors.
3. Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
4. Recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees. The policy shall be referred as Nomination and Remuneration policy.
5. To decide on the commission payable to the Directors within the prescribed limit and as approved by the shareholders of the Company.
6. To devise the policy on Board's diversity.
7. To formulate, implement and administer Employee Stock Option Scheme(s) of the Company and grant stock options to the employees.

8. To recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
9. To carry out any other function as is mandated by the Board from time to time and /or enforced by any statutory notification, amendment or modification, as may be applicable.
10. To decide whether to extend or continue the term of appointment of the independent director on the basis of report of performance evaluation of independent director.

Composition, Meetings and Attendance:

During the FY 2018-19, the Committee met twice i.e. on May 21, 2018 and August 21, 2018. The details of the Composition of the Committee, number of meetings held and the attendance of the Members are given herein below:-

Name of the Member	Category	Designation in the Committee	No. of Meetings	
			Held	Attended
Mr. Vivek Paranjpe	ID	Chairman	2	2
Mr. Praveen Tripathi	ID	Member	2	2
Mr. Sharda Agarwal ⁽¹⁾	ID	Member	2	0
Mr. Motilal Oswal ⁽¹⁾	CMD	Member	2	0

⁽¹⁾ Appointed as Member w.e.f. August 21, 2018.

Nomination and Remuneration Policy:

The success of the organization in achieving good performance and good governing practice depends on its ability to attract and retain individuals with requisite knowledge and excellence as Executive and Non-Executive Directors. With this objective, the Board and the Nomination and Remuneration Committee decides on the appointment and remuneration to be paid to the Non-executive Directors.

While deciding on the remuneration to the Directors, the Board and Nomination and Remuneration Committee considers the performance of the Company, the current trends in the industry, the qualifications of the appointee, his experience, level of responsibility, past performance and other relevant factors.

The Board and Nomination and Remuneration Committee carry the performance evaluation of the Directors. Accordingly, on the basis of the report of the performance evaluation of Directors including Independent Directors, the Company decides whether to extend or continue the term of appointment of the Independent Directors. The criteria of performance evaluation of Directors includes the effectiveness in decision making, effectively facilitates the Board Meeting, demonstrating knowledge, etc.

The detailed Policy of the Company on Nomination and Remuneration including the criteria of making payments to Directors, Key Managerial Personnel ("KMP") and Senior Management is uploaded on the Website of the Company at <https://www.motilaloswalgroup.com/Downloads/IR/724496156Nomination-and-Remuneration-Policy.pdf>

Remuneration to Directors:

Mr. Motilal Oswal, Mr. Raamdeo Agarawal and Passionate Investment Management Private Limited are the Promoters of the Company.

Mr. Motilal Oswal, Mr. Raamdeo Agarawal, Mr. Navin Agarwal and Mr. Ajay Menon, draws remuneration from the Company. Apart from the reimbursement of expenses incurred in discharge of their duties and the sitting fees and commission that the Independent Directors would be entitled to receive under the Act, none of the Independent Directors has any other material pecuniary relationship or transactions with the Company, its Promoters, its Directors, its Management, its Subsidiary Companies and its Associate Companies which would affect their independence.

Remuneration paid to Non-Executive Directors

The Non-executive Directors are paid a sitting fees of ₹ 20,000/- for every Meeting of the Board and ₹ 10,000/- for every meeting of the Committees of the Board attended by them. The shareholders of the Company at the Annual General Meeting held on July 27, 2017 approved the payment of Commission up to an amount not exceeding 1% of the Net Profits of the Company computed in accordance with the provisions of Section 198 and other applicable provisions of the Act, to Independent Directors of the Company for period of five years with effect from April 1, 2017. The Nomination and Remuneration Committee at its Meeting held on May 11, 2019 approved the payment of Commission of ₹ 7.50 lakhs to each Independent Director of the Company for the FY 2018-19.

CORPORATE GOVERNANCE (Contd..)

Details of the sitting fees & commission paid to the Non-Executive Directors for the FY 2018-19 are given herein below:-

(Amount in ₹)

Name of the Director	Category	Sitting Fees for Board Meeting	Sitting Fees for Committee Meeting	Commission	Total
Mr. Vivek Paranjpe	ID	80,000	60,000	7,50,000	8,90,000
Mr. Praveen Tripathi	ID	80,000	80,000	7,50,000	9,10,000
Ms. Sharda Agarwal	ID	60,000	30,000	7,50,000	8,40,000
Ms. Rekha Shah	ID	60,000	20,000	7,50,000	8,30,000

In accordance with the provisions of the Act and Listing Regulations, Independent Directors are not eligible for any employee stock options.

Shares held by the Non-Executive Directors

Details of the Equity Shares of the Company held by the Non-Executive Directors as on March 31, 2019 is given herein below:-

Name of the Director	Category	No. of Equity Shares held
Mr. Vivek Paranjpe	ID	Nil
Mr. Praveen Tripathi	ID	Nil
Ms. Sharda Agarwal	ID	Nil
Ms. Rekha Shah	ID	280

Remuneration to the Executive Directors

(Amount in ₹)

Name of the Director	Category	Salary Including variable Pay and Perquisites ⁽¹⁾
Mr. Motilal Oswal	C&MD	2,41,29,949
Mr. Raamdeo Agarawal	JMD	2,76,64,766
Mr. Navin Agarwal	MD	7,98,97,000
Mr. Ajay Menon	WTD	2,35,00,052
Total		15,52,11,767

⁽¹⁾ Based on policy formulated by the NRC and approved by the Board.

- The aforesaid Managerial remuneration does not include Provision for Gratuity and Insurance Premiums for medical and life.
- The Executive Directors are provided with various benefits including reimbursement of expenses, leave travel concession etc.
- None of the Executive Directors of the Company have received the pension and severance fees from the Company. Also, the Company has not entered into the service contracts and there is no provision of notice period in the Company for Directors.

3) Stakeholders Relationship Committee

The terms of reference of the Committee are as follows:

1. To address requests / resolve grievances of security holders including complaints related to transfer / transmission of securities, non-receipt of balance sheet, non-receipt of declared dividends / interests, etc.
2. To monitor and transfer the amounts / shares transferable to Investor Education and Protection Fund ("IEPF").
3. To approve transfer / transmissions of securities.
4. Taking decision on waiver of requirement of obtaining the Succession Certificate / Probate of Will on case to case basis.
5. To address the remat / demat requests of security holders for rematerialisation / dematerialisation of securities.
6. To issue duplicate share / debenture certificate(s) reported lost, defaced or destroyed as per the laid down procedure and to resolve the grievances of security holders of the Company.

CORPORATE GOVERNANCE (Contd..)

7. Attending to complaints of security holders routed by SEBI (SCORES)/Stock Exchanges/RBI or any other Regulatory Authorities.
8. Specifically look into the various aspects of interest of shareholders, debenture holders and other security holders.
9. Review of measures taken for effective exercise of voting rights by shareholders.
10. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
11. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
12. Any other matters that can facilitate better investor services and relations.

Composition, Meetings and Attendance:

During the FY 2018-19, the Committee met twice i.e. on May 21, 2018, and August 10, 2018. The details of the Composition of the Committee, number of meetings held and the attendance of the Members are given herein below:-

Name of the Member	Category	Designation in the Committee	No. of Meetings	
			Held	Attended
Ms. Rekha Shah ⁽¹⁾	ID	Chairperson	2	0
Mr. Navin Agarwal	MD	Member	2	2
Mr. Motilal Oswal	C&MD	Member	2	2
Mr. Raamdeo Agarawal	JMD	Member	2	2

⁽¹⁾ Appointed as Member & Chairperson w.e.f. August 21, 2018.

The Committee meets as and when required, to deal with the investor related matters.

Details of queries and grievances received and attended by the Company during the FY 2018-19 are given herein below:

Sr. No.	Nature of Complaint	Pending as on April 1, 2018	Received during the year	Disposed off during the year	Pending as on March 31, 2019
i.	SEBI/Stock Exchange Complaints	–	0	0	–
ii.	Non-receipt of Dividend warrant / Interest	–	1	1	–
iii.	Non-receipt of Share Certificate	–	–	–	–
iv.	Non-receipt of Annual Report	–	5	5	–
v.	Others	–	–	–	–
	Total	–	6	6	–

SEBI Complaints Redress System (SCORES)

Securities and Exchange Board of India (“SEBI”) administers a centralised web based complaints redress system (“SCORES”). It enables investors to lodge and follow up complaints and track the status of redressal online on the website at www.scores.gov.in. It also enables the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report redressal of such complaints. All the activities starting from lodging of a complaint till its disposal are carried online in an automated environment and the status of every complaint can be viewed online at any time. The Company has registered itself on SCORES and endeavors to resolve all investor complaints received through SCORES.

All complaints have been redressed to the satisfaction of the shareholders and none of them were pending as on March 31, 2019.

4) Corporate Social Responsibility Committee

The terms of reference of the Committee are as follows:

1. Formulate and recommend to the Board, a Corporate Social Responsibility (“CSR”) Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII.
2. Recommend the amount of expenditure to be incurred on the activities referred to in Clause (1).
3. Monitor the Corporate Social Responsibility Policy of the Company from time to time.
4. Update the Board on the implementation of various programmes and initiatives.

Composition, Meetings and Attendance:

During the FY 2018-19, the Committee met twice i.e. on May 21, 2018 and August 21, 2018. The details of the Composition of the Committee, number of meetings held and the attendance of the Members are given herein below:-

Name of the Member	Category	Designation in the Committee	No. of Meetings	
			Held	Attended
Mr. Motilal Oswal	C&MD	Chairman	2	2
Mr. Raamdeo Agarawal	JMD	Member	2	2
Mr. Praveen Tripathi	ID	Member	2	2

The CSR Policy devised in accordance with Section 135 of the Act and the details about CSR Policy and initiatives and activities undertaken by the Company on CSR during the year is annexed as “Annexure-5” to the Board’s Report.

5) Risk Management Committee

The Company has a well-defined risk management framework in place and Risk Management Committee, which ensures that the management controls risks through means of a properly defined framework. In addition, the Board has formulated and adopted a risk management policy. The risk management framework adopted by the Company is discussed in the Management Discussion and Analysis chapter annexed to the Board’s Report. The Board assesses the risk and the procedures being followed by the Company and steps taken by it to mitigate these risks.

The terms of reference of the Committee are as follows:

1. Reviewing and approving the risk management policy and associated framework, processes and practices of the Company on an annual basis;
2. Ensuring the appropriateness of the Company in taking measures to achieve prudent balance between risk and reward in both ongoing and new business activities;
3. Evaluating significant risk exposure of the Company and assessing Management’s action to mitigate / manage the exposure in timely manner;
4. Laying down the risk tolerance limits and Monitoring risk exposures at periodic intervals;
5. Reporting to the Board on periodical basis;
6. Assist the Board in effective operation of risk management system by performing specialized analyses and quality reviews;
7. Maintaining a group-wise and aggregated view on the risk profile of the Company in addition to the solo and individual risk profile;
8. Reviewing, investigating the instances reported for unethical behavior of employees or Senior Management Officials and taking suitable disciplinary action against such employees.
9. Overseeing and Identifying the wilful defaulters;
10. Monitoring and Reviewing of the Risk Management Plan including Cyber Security.

Composition:

The details of the Composition of the Committee are given herein below:-

Name of the Member	Category	Designation in the Committee
Mr. Motilal Oswal	C&MD	Chairman
Mr. Navin Agarwal	MD	Member
Mr. Ajay Menon	WTD	Member
Mr. Shalibhadra Shah	CFO	Member

CFO: Chief Financial Officer

6) Finance Committee

The extract of terms of reference of the Committee are as follows:

1. Authorized to make investment in Share Capital of Body Corporates, Inter Corporate Deposits, units of debts and liquid funds etc.,

CORPORATE GOVERNANCE (Contd..)

2. Provide loans to any body corporate / person or give guarantee or provide security in connection to loan
3. Borrow monies from banks for meeting working capital requirements, within the overall limit approved by the Board.
4. Other routine matters.

Composition:

The details of the Composition of the Committee are given herein below:-

Name of the Member	Category	Designation in the Committee
Mr. Motilal Oswal	C&MD	Chairman
Mr. Raamdeo Agarawal	JMD	Member
Mr. Navin Agarwal	MD	Member
Mr. Ajay Menon ⁽¹⁾	WTD	Member

⁽¹⁾ Appointed as Member w.e.f. August 21, 2018

7) Business Responsibility Committee

The terms of reference of the Committee are as follows:

1. Ensuring proper pursuance to Listing Regulation, the company is required to include Business Responsibility Report in the Annual Report of the Company
2. Constituted to overview the Business Responsibility Report
3. Frame and overview such polices as may be required from time to time

Composition:

The details of the Composition of the Committee are given herein below:-

Name of the Member	Category	Designation in the Committee
Mr. Motilal Oswal	C&MD	Chairman
Mr. Sudhir Dhar	Group Head – Human Resources and Administration	Member

Policy on Prevention of Sexual Harassment of Women at Workplace

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company is committed to provide an environment, which is free of discrimination, intimidation and abuse. The Company believes that it is the responsibility of the organisation to protect the integrity and dignity of its women employees and also to avoid conflicts and disruptions in the work environment due to such cases. The Company has adopted a 'Policy against Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act") and an Internal Complaints Committee has also been set up to redress complaints received regarding sexual harassment. As per the policy, any women employee may report her complaint to the Committee. We affirm that adequate access was provided to any complainant who wish to register a complaint under the policy.

Sr. No.	Category	No. of complaints filed during FY 2018-19	No. of complaints disposed of during FY 2018-19	No. of complaints pending as on end March 31, 2019
1.	Sexual Harassment	1	1	Nil
2.	Discriminatory employment	Nil	N.A.	N.A.

Management Discussion and Analysis

The Annual Report has a detailed chapter on Management Discussion and Analysis.

General Body Meetings

The details of the Annual General Meetings held during past three years are given herein below:-

No.	Date	Venue	Time	Special Resolutions passed
11th AGM	July 21, 2016	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai 400 025.	10.30 a.m.	i) To offer or invite subscription to Secured/Unsecured Redeemable Non-Convertible Debentures (NCDs) on private placement basis up to ₹ 1000 crores to be listed on Stock Exchanges

CORPORATE GOVERNANCE (Contd..)

No.	Date	Venue	Time	Special Resolutions passed
				ii) Approval to Material Subsidiary, Aspire Home Finance Corporation Limited for Selling, Leasing and Disposing of its Assets in excess of twenty percent of its total assets, in any financial year
12th AGM	July 27, 2017	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai – 400 025.	4.30 p.m.	i) Re-appointment of Mr. Vivek Paranjpe (DIN:03378566) as an Independent Director of the Company ii) Re-appointment of Mr. Praveen Tripathi (DIN: 03154381) as an Independent Director of the Company iii) Re-appointment of Ms. Sharda Agarwal (DIN: 00022814) as an Independent Director of the Company iv) Authorization to offer or invite subscription, issue and allot Secured / Unsecured Redeemable Non-Convertible Debentures (“NCDs”) on Private Placement basis, aggregating up to ₹ 1000 Crores v) Approval of Motilal Oswal Financial Services Limited - Employees Stock Option Scheme – VIII for Issuance of Stock Options to employees of the Company vi) Approval of Motilal Oswal Financial Services Limited - Employees Stock Option Scheme – VIII for Issuance of Stock Options to the employees of present / future subsidiary companies / holding Company vii) Payment of Remuneration to Non-Executive Directors
13th AGM	September 27, 2018	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai – 400 025.	4.00 p.m.	i) Authorization to offer or invite subscription, issue and allot Secured / Unsecured Redeemable Non-Convertible Debentures (“NCDs”) on Private Placement basis, aggregating up to ₹ 2000 Crores ii) Approval to Subsidiary, Motilal Oswal Asset Management Company Limited for selling, Leasing and Disposing of its Assets in excess of twenty percent of its total assets, respectively in any financial year

Postal Ballot Resolution(s)

During the FY 18-19, the approval of the shareholders was sought by way of postal ballot vide notice dated November 19, 2018 in respect of the Ordinary Resolution for Obtaining Approval for Entering into Material Related Party Transaction(s).

The details of Voting is given below:-

No. of votes polled	No. of Votes – in favour	% of Votes in favour on votes polled	No. of Votes –Against	% of Votes against on votes polled	No. of Invalid votes
20087001	18111576	90.1657	1975425	9.8343	630

Procedure for Postal Ballot:

The Company had provided its Shareholders the facility to exercise their right to vote on the Postal Ballot through the Remote E-voting & Postal Ballot Form on the resolution as set out in the Notice of the Postal Ballot. The Company had engaged the Central Depository Services (India) Limited (“CDSL”) to provide Remote E-voting facility.

The Company appointed Mr. Umashankar Hegde, Practicing Company Secretary as the Scrutinizer to scrutinize the entire Postal Ballot Process. The Scrutinizer submitted his report to the Chairman on completion of Scrutiny on December 28, 2018 and consolidated results of the said postal ballot were announced and the said results were made available at the Company’s website at <https://www.bseindia.com/xml-data/corpfiling/CorpAttachment/2018/12/9fbb661c-072a-4184-86b0-a465b3a5aeb1.pdf> and also placed at the registered office of the Company. The Resolution mentioned above was passed by the shareholders with the requisite majority in favour of the Company.

No Special Resolution requiring Postal Ballot is being proposed on or before the ensuing AGM of the Company.

CORPORATE GOVERNANCE (Contd..)

Means of Communication:

The Company publishes quarterly, half-yearly and annual results generally either in Free Press Journal, Financial Express, Business Standard and Navshakti newspapers. The Company's results and official news releases are displayed on the Company's website at www.motilaloswalgroup.com. Presentations made to the Institutional Investors and analysts are also put-up on the Company's website.

The Company informs BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") about all price sensitive matters or such other matters which in its opinion are material and of relevance to the members and the same are also displayed on the Company's website. Further, in compliance to the provisions of Regulation 30 of the Listing Regulations, the Company has disclosed on its website, a duly approved Policy on determination of materiality of events.

NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre ('Listing Centre'): The NEAPS and BSE Listing Centre are a web-based application designed by NSE and BSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS and the Listing Centre.

General Shareholders' Information

Annual General Meeting Date, Time and Venue	July 31, 2019 at 4.00 p.m. Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400 025.
Financial Year	April 1, 2018 to March 31, 2019
Dividend Payout Date	The final dividend of ₹ 4.50/- per Equity share of face value of ₹ 1/- each, subject to approval by the shareholders at the ensuing AGM, will be credited / dispatched within 30 days from the date of AGM of FY 2018-19. The Company has paid interim dividend of ₹ 4.00/- per Equity Share.
Listing on Stock Exchanges	1. BSE 2. NSE The requisite Annual listing fees for FY 2019-20 have been paid in full to BSE and NSE.
Stock Code / ISIN No.	BSE: 532892
Equity:	NSE: MOTILALOSF
Debt:	Series A: INE886I07014 Series B: INE886I07022 Series C: INE886I07030

Market Price Data

High, Low and Close Price during each month in the last financial year at BSE and NSE:-

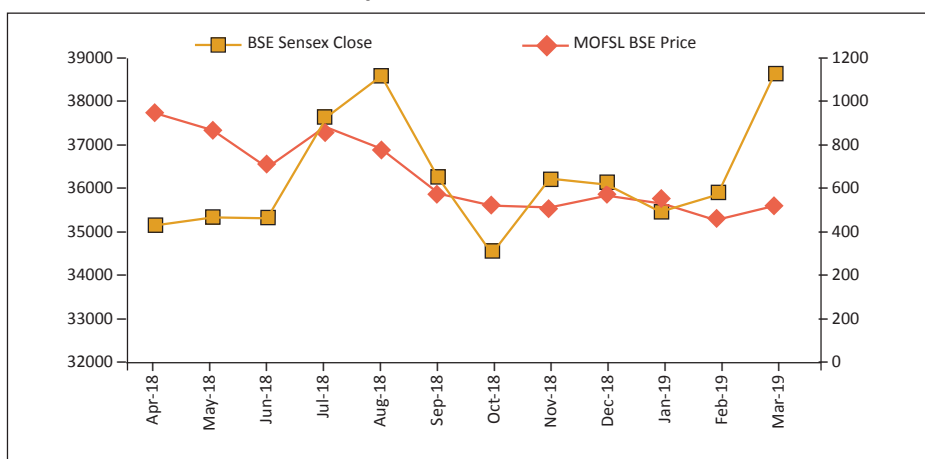
Month	BSE (₹)		NSE (₹)	
	High Price	Low Price	High Price	Low Price
April, 2018	1066.00	949.00	1068.0	947.0
May, 2018	997.55	900.10	1000.0	901.2
June, 2018	935.00	735.00	923.3	735.0
July, 2018	947.95	770.00	949.0	770.0
August, 2018	947.00	815.00	948.8	813.8
September, 2018	883.70	650.00	883.9	651.3
October, 2018	698.20	549.75	689.0	545.1
November, 2018	710.25	596.15	710.0	588.0
December, 2018	697.95	587.25	698.7	588.0
January, 2019	709.35	608.70	707.6	606.0
February, 2019	642.00	557.30	640.1	560.0
March, 2019	648.80	555.00	647.5	560.0

CORPORATE GOVERNANCE (Contd.)

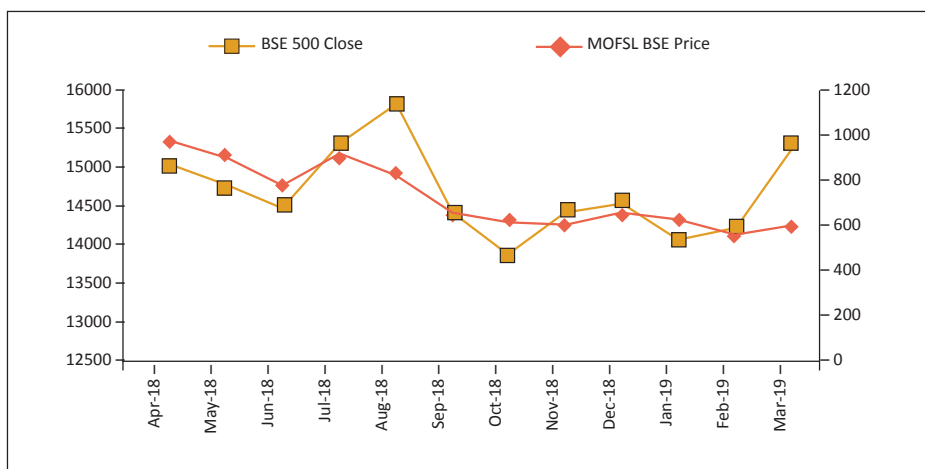
Performance in comparison to broad-based indices such as BSE Sensex, S&P CNX Nifty etc.:

The Company is the constituent of the BSE – 500. The performance of the Company’s shares relative to the BSE Sensex, BSE – 500 and S&P CNX Nifty is given in the chart below:-

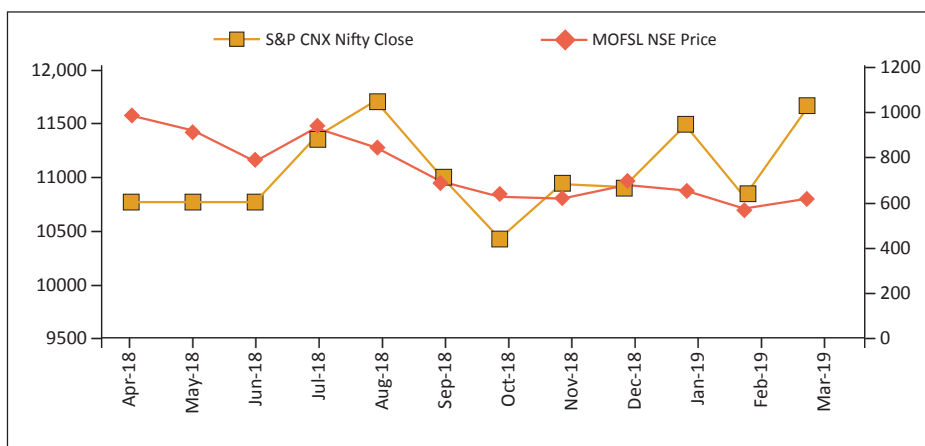
MOFSL Share performance versus BSE Sensex



MOFSL Share performance versus BSE – 500



MOFSL Share performance versus S&P CNX Nifty



CORPORATE GOVERNANCE (Contd..)

In case the securities are suspended from trading, the Directors Report shall explain the reason thereof	Not Applicable
Registrar and Share Transfer Agent for Equity Shares	Link Intime India Private Limited C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083. Tel: +91 22 49186000 Fax: +91 22 49186060 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in
Share Transfer System	The Board has delegated the authority for approving transfer, transmission etc. of the Company's securities to Stakeholders Relationship Committee. The Stakeholders Relationship Committee meets as and when required to consider the transfer, transmission of shares etc. and attend to shareholder grievances.

Distribution of Shareholding

Distribution of the shareholding of the equity shares of the Company by size and by ownership class as on March 31, 2019:

Number of shares held	No. of Shareholders	Total No. of shares held in the category	% of shareholding
Up to 500	30,826	20,30,261	1.39%
501 – 1000	939	7,14,438	0.49%
1001 – 2000	480	7,01,775	0.48%
2001 – 3000	174	4,32,365	0.30%
3001 – 4000	93	3,23,277	0.22%
4001 – 5000	67	3,09,771	0.21%
5001 – 10000	142	10,07,931	0.69%
10001 & Above	240	14,01,60,540	96.21%
TOTAL	32,961	14,56,80,358	100.00%

Category wise Shareholding pattern as on March 31, 2019:

Sr. No.	Category	No. of Shares	% to Share Capital
1)	Promoters & promoter group	10,23,92,059	70.29%
2)	Mutual Funds / Financial Institutions / Banks / Foreign Institutional Investors	2,16,42,744	14.86%
3)	NRIs / OCBs	17,20,329	1.18%
4)	Bodies Corporate	10,25,295	0.70%
5)	Public	1,08,56,060	7.45%
6)	Directors	74,04,010	5.08%
7)	Others	6,39,861	0.44%
Total		14,56,80,358	100.00%

Dematerialization of Shares and liquidity	As on March 31, 2019, 99.98% of the total equity share capital was held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited and 28,260 Equity shares were held in Physical form.
Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity	As on March 31, 2019, the Company did not have any outstanding GDRs / ADRs / Warrants or any Convertible instruments (excluding ESOPs).
Commodity price risk or foreign exchange risk and hedging activities	Not Applicable

CORPORATE GOVERNANCE *(Contd..)*

Plant Locations	The Company is in the business of broking and distribution; therefore, it does not have any manufacturing plants.
Address for Correspondence	Link Intime India Pvt. Limited (Registrar and Transfer Agent) C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083. Tel: +91 22 49186000 Fax: +91 22 49186060 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in
Name and Address of the Compliance Officer	Mr. Kailash Purohit Company Secretary & Compliance Officer Motilal Oswal Financial Services Limited Motilal Oswal Tower, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai – 400025 Tel: +91-22-7199 2334 Fax: +91-22-5036 2365 E-mail: shareholders@motilaloswal.com
List of all credit ratings obtained along with any revisions thereto during the relevant financial year.	The details of credit rating obtained by the Company is included in Board's Report forming part of Annual Report of the Company

Disclosures:

- i) The Company has complied with all the requirements of regulatory authorities. No penalties / strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market during last three years.
- ii) **Whistle Blower Policy/Vigil Mechanism**
Pursuant to the provisions of Regulation 22 of the Listing Regulations and section 177 of the Act, the Company established a Vigil Mechanism/Whistle Blower Policy for Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
This mechanism provides for adequate safeguards against victimization of director(s)/employee(s) who avail the mechanism and makes provision for direct access to the Chairman of the Audit Committee. The policy has been uploaded on the website of the Company at [We affirm that no director /employee of the Company was denied access to the Audit Committee.](#)
- iii) The Company has complied with all the mandatory requirements of the Listing Regulations.
- iv) The Company has complied with the following non-mandatory requirements as prescribed in Regulation 27 Schedule II Part E of the Listing Regulations: -
 - a) The Company is in the regime of unmodified financial statements.
 - b) The internal auditor of the Company reports directly to the Audit Committee.
- v) The Company has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.
- vi) M/s. U. Hegde and Associates, Practising Company Secretary certified that none of the directors of the Company have been debarred or disqualified from being appointed or continuing as director of the Company by SEBI or Ministry of Corporate Affairs or any such statutory authority.
- vii) Total fees paid to M/s. Walker Chandio & Co. LLP, Chartered Accountants, Statutory Auditors on consolidated basis is ₹ 55.14 Lakhs for the FY 2018-19.
- viii) In terms of the amendments made to the Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from its mandatory committees.
- ix) **Subsidiary Companies**
According to the Regulation 16(1)(c) of the Listing Regulations, a "Material subsidiary" shall mean a subsidiary, whose income or net worth (i.e. paid up capital and free reserves) exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. The Company has two Material subsidiaries namely Motilal Oswal Home Finance Limited ("MOHFL") and Motilal Oswal Asset Management Company Limited ("MOAMC") as on March 31, 2019. The debentures of MOHFL are listed on BSE and units of mutual funds of MOAMC are listed on NSE and BSE.

CORPORATE GOVERNANCE (Contd..)

As required under the Listing Regulations, the Company has formulated policy for determining material subsidiaries which has been uploaded on the Company's website at:

<https://www.motilaloswalgroup.com/Downloads/IR/212618793Policy-on-Determination-of-Material-Subsidiaries.pdf>

x) Related Party Transactions

There have been no other materially significant Related Party transactions, pecuniary transactions or relationships between the Company and Directors, Management, Subsidiaries or Related parties. However, the Company has obtained the approval of members, vide postal ballot, on December 27, 2018, for entering into below mentioned related party transactions with Motilal Oswal Home Finance Limited (MOHFL), in one or more tranches, within a period of four years from the date of approval of the resolution i.e. December 27, 2018:-

Nature of Transaction	Amount (₹ in Crores)
Acquisition of Securities by way of Subscription, Purchase or otherwise	1,000
Give any guarantee or provide security in favour of various Banks/Financial Institutions /Debenture Trustees, etc. in connection with various credit facilities availed/to be availed by MOHFL	2,000
Granting Loans to MOHFL	1,000
Other Transactions including Rent/Leasing Transactions & Rent Deposits, Reimbursement of Expenses, Purchase of Assets, Avail or Provide Services etc. and such other transactions as may be approved by Audit Committee and Board	250
Total	4,250

Further, the details of all Related Party Transactions including aforesaid transactions entered during the year under review are presented in the Note No. 54 forming part of Standalone Financial Statement of the Company.

Additionally, the details of all material transactions with related parties are disclosed quarterly in the compliance report on corporate governance.

Further, as required under Regulation 23 of the Listing Regulations, the Company has formulated a Policy on Materiality and dealing with Related Party Transactions which has been uploaded on the Company's website at <https://www.motilaloswalgroup.com/Downloads/IR/853061866Policy-on-Materiality-and-Dealing-with-Related-Party-Transactions.pdf>

xi) CEO/CFO Certification

The Chief Executive Officer and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. The Chief Executive officer and Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations. The annual certificate given by the Chief Executive Officer and the Chief Financial Officer is annexed to the Report.

xii) Code of Conduct

The Board has laid down the Code of Conduct for its Directors and for Senior Management of the Company. The Code has been posted on the Company's website at <https://www.motilaloswalgroup.com/Downloads/IR/780783573MOFSL-Code-of-Conduct.pdf>

All Board members and Senior Management have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management. A declaration signed by the Chief Executive Officer, Chairman & Managing Director to this effect is annexed to the report.

xiii) Disclosure of Accounting Treatment in Preparation of Financial Statements

The Company has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2018 and the effective date of such transition is April 01, 2017, with comparative figures being restated to make them comparable. The financial statements have been prepared in accordance with the recognition and measurement principles laid down in Ind AS notified under Section 133 of Companies Act, 2013 read with relevant Rules issued thereunder and other accounting principles generally accepted in India.

CHIEF EXECUTIVE OFFICER'S DECLARATION ON CODE OF CONDUCT

As required by Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the CEO declaration for Code of Conduct is given below:

To,
The Members of
Motilal Oswal Financial Services Limited

I, Motilal Oswal, Chairman, Managing Director & Chief Executive Officer of the Company, declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management of the Company for the FY 2018-19.

For **Motilal Oswal Financial Services Limited**

Place : Mumbai
Date : May 11, 2019

Motilal Oswal
Chairman and Managing Director
Chief Executive Officer
(DIN: 00024503)

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER CERTIFICATE

To,
The Board of Directors
Motilal Oswal Financial Services Limited

Dear Sir(s)/Madam(s),

- A. We have reviewed the financial statements read with the cash flow statement of Motilal Oswal Financial Services Limited for the year ended March 31, 2019 and that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or proposed to taken to rectifying these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
1. that there were no significant changes in internal controls over financial reporting during the period
 2. that the Company has adopted Indian Accounting Standards (Ind AS) for accounting periods beginning on or after the April 1, 2018, with comparatives for the periods ending on March 31, 2018, or thereafter and there were no other significant changes in accounting policies made during the period and
 3. that there were no instances of significant fraud of which we have become aware.

Thanking you,

Yours faithfully,

For Motilal Oswal Financial Services Limited

Motilal Oswal
Chairman and Managing Director
Chief Executive Officer
(DIN : 00024503)

Shalibhadra Shah
Chief Financial Officer

Place : Mumbai
Date : May 11, 2019

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of

Motilal Oswal Financial Services Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 15 October 2018.
2. We have examined the compliance of conditions of corporate governance by Motilal Oswal Financial Services Limited ('the Company') for the year ended on 31 March 2019, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

3. The compliance of conditions of corporate governance is the responsibility of the management. This responsibility includes the designing, implementing and maintaining operating effectiveness of internal control to ensure compliance with the conditions of corporate governance as stipulated in the Listing Regulations.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2019.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

8. This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

Sudhir N. Pillai

Partner

Membership No.: 105782

Place: Mumbai

Date: 11 May 2019



BUSINESS RESPONSIBILITY REPORT

[As per Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Background

As per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (as amended from time to time), top 500 listed entities (based on market capitalisation on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) are required to include a Business Responsibility Report (“BRR”) in the Annual Report.

Motilal Oswal Financial Services Limited (“MOFSL/Company”) is a public limited company listed on BSE and NSE. Pursuant to the internal restructuring of the Motilal Oswal Group of Companies, the lending business of MOFSL has been transferred to Motilal Oswal Finvest Limited, wholly owned subsidiary of the MOFSL on August 20, 2018. Pursuant to Amalgamation of Motilal Oswal Securities Limited with Motilal Oswal Financial Services Limited and their respective Shareholders (“Scheme”) being effective from August 21, 2018, MOFSL carries on the business of MOSL with effect from August 21, 2018. After receipt of SEBI approval on February 5, 2019, MOFSL is now a SEBI registered Trading Member registered with BSE, NSE, Multi Commodity Exchange of India Limited (“MCX”) and National Commodity & Derivatives Exchange Limited (“NCDEX”). MOFSL is now a SEBI registered Depository Participant registered with Central Depository Services (India) Limited (“CDSL”) and National Securities Depository Limited (“NSDL”). Hence, MOFSL will now execute transactions in capital markets /equity derivatives /commodity derivatives/ currency derivatives segments on behalf of its clients which include retail customers (including high net worth individuals), mutual funds, foreign institutional investors, financial institutions and corporate clients. Besides stock broking, it also offers a bouquet of financial products and services to its client base. It is registered with the SEBI as Research Analyst and Investment Advisor and with various other bodies /agencies like IRDA, AMFI, CERSAI, KRA agencies (CVL, Dotex, NDML, CAMS and Karvy) etc.

Our Business Responsibility (“BR”) Report includes our responses to questions on our practice and performance on key principles defined by Regulation 34(2)(f) of Listing Regulations, covering topics across environment, governance and stakeholder relationships.

Section A: General Information About the Company

Sr. No.	Particulars	Company Information
1.	Corporate Identity Number (CIN) of the Company	L67190MH2005PLC153397
2.	Name of the Company	Motilal Oswal Financial Services Limited (MOFSL)
3.	Registered address	Motilal Oswal Tower, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai-400025, India
4.	Website	www.motilaloswalgroup.com
5.	E-mail ID	shareholders@motilaloswal.com
6.	Financial Year reported	April 01, 2018 to March 31, 2019
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code: 6612 - Engaged in providing broking related activity
8.	List three key products /services that the Company manufactures /provides (as in balance sheet)	The Company engaged in Broking business activity. Further, through its subsidiaries offers a diversified range of financial products and services such as Loan against shares, Investment activities, Private wealth management, Asset management business, Housing finance, Institutional equities, Private equity and Investment banking.
9.	Total number of locations where business activity is undertaken by the Company	(a) Number of International Locations (Provide details of major 5) : Nil (b) Number of National Locations: 35
10.	Markets served by the Company	National

BUSINESS RESPONSIBILITY REPORT *(Contd.)*

Section B: Financial Details of the Company:

Sr. No.	Particulars	Company Information
1.	Paid up Capital (INR)	14,56,80,358
2.	Total Turnover (INR)	12,17,27,00,000
3.	Total profit after taxes (INR)	3,22,31,00,000
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Please refer Annexure 5 of Board's Report forming part of the Annual Report.
5.	List of activities in which expenditure in 4 above has been incurred	Please refer Annexure 5 of Board's Report forming part of the Annual Report.

For further details on CSR activities, kindly refer **Annexure 5** to the Board's Report.

Section C: Other Details

1. Does the Company have any Subsidiary Company / Companies?

Yes. The details of all the subsidiary companies is included in **Annexure 2** to the Board's Report.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)?

Yes, the Company's Business Responsibility Policy is applicable to all its 17 Subsidiary Companies as on March 31, 2019. The policies and processes adopted across all the companies within Motilal Oswal Group ("MO Group") are largely uniform.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:

No, other business partners of the Company do not directly participate in the Company's BR initiatives. The Company endeavors to encourage its Franchisees/suppliers /distributors (wherever possible) to participate in the initiatives towards BR and to adopt practices which would help them to carry out business in a fair manner.

Section D: BR Information

1. Details of Director/Directors responsible for BR:

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

The following members of the BR Committee are collectively responsible for implementation of the BR polices of the Company.

Sr. No.	DIN	Name	Designation
1.	00024503	Mr. Motilal Oswal	Chairman and Managing Director
2.	Not Applicable ⁽¹⁾	Mr. Sudhir Dhar	Group Head - Human Resources & Administration

⁽¹⁾ He is not a Director on the Board of the Company

(b) Details of the BR head

Sr. No.	Particulars	Details
1.	DIN	Not Applicable ⁽¹⁾
2.	Name	Mr. Sudhir Dhar
3.	Designation	Group Head - Human Resources & Administration
4.	Telephone Number	+91 22 7193 4200/7193 4263
5.	E-mail ID	chrosoffice@motilaloswal.com

⁽¹⁾ He is not a Director on the Board of the Company

BUSINESS RESPONSIBILITY REPORT *(Contd.)*

2. Principle-wise (as per National Voluntary Guidelines) BR Policy/Policies

(a) Details of compliance

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for	Y	NA	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	–	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards?	The policies adopted by the Company are in conformity with the applicable rules and regulations.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Policies wherever stated have been approved by the Board / Committee of the Board / Senior Management of the Company and followed across entities within MO Group.								
5.	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	–	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online	As per regulatory requirement, the policies of the Company have been uploaded on the website of the Company at www.motilaloswalgroup.com								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8.	Does the Company have in-house structure to implement the policy/policies.	Yes, the Company has constituted the BR Committee to implement the policies								
9.	Does the Company have a grievance redressal mechanism related to the stakeholders' grievances related to the policy/policies?	Y	–	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	–	Y	Y	Y	Y	Y	Y	Y

(b) If answer to Sr. No. 1 against any principal is "No", please explain why (tick up to two options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the principles.	–	–	–	–	–	–	–	–	–
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specific principles.	–	–	–	–	–	–	–	–	–
3.	The Company does not have financial or manpower resources available for the task.	–	–	–	–	–	–	–	–	–
4.	It is planned to be done within the next six months.	–	–	–	–	–	–	–	–	–
5.	It is planned to be done within next one year.	–	–	–	–	–	–	–	–	–
6.	Any other reason (please Specify).	–								

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs had adopted nine areas of Business Responsibility as given below briefly: -

P1 - Business should conduct and govern themselves with Ethics, Transparency and Accountability

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3 - Businesses should promote the wellbeing of all employees

P4 - Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

P5 - Business should respect and promote human rights

P6 - Business should respect, protect and make efforts to restore the environment

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in responsible manner

P8 - Businesses should support inclusive growth and equitable development

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

This Report is reviewed by the Board of Directors on Annual basis.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The BRR has been made available on the website of the Company at www.motilaloswalgroup.com. The BRR will be reviewed and published annually.

Section E: Principle-wise Performance

Principle 1 – Business should conduct and govern themselves with ethics, transparency and accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers / Contractors / NGOs / Others?

Yes

- Ethics form a core part of the Company's core principles. Moreover, the Company has a separate whistle blower policy and it extends to all its subsidiaries.
- The Company has adopted a Code of Conduct for the Company's Directors and Senior Management (including employees) which is available on the intranet/ internet of the Company and is applicable to all companies within MO Group.
- We also expect our clients to abide by these principles in their dealings with us.
- Further, the Company is abided to take suitable action if any, fraud has been communicated by the auditor of Company.
- Company in order to have at ethical business model of working also emphasis on non-cash transaction.
- The Company also has an exhaustive manual and online portal on human resources which covers all aspects pertaining to employment with Group which encourages principles of ethics, transparency and accountability. Further, the Company arranges lot of training, conduct seminars for employees to abide by the Company's policies in true spirit.

The Whistle Blower Policy/Vigil Mechanism of the Company is uploaded on the website of the Company at :

<https://www.motilaloswalgroup.com/Downloads/IR/1677814951Vigil-MechanismWhistle-Blower-Policy.pdf>

and Code of Conduct of the Company is uploaded on the website of the Company at :

<https://www.motilaloswalgroup.com/Downloads/IR/1584990557Code-of-Conduct-for-Directors-and-Senior-Management.pdf>

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company has not received any complaint governing this principle.

Principle 2 – Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Nil. The Company is into service sector and hence it does not manufacture any goods, however, the Company endeavours to serve social and economic opportunities, through its products.

Further, the Company emphasizes on reducing dependence on paper communications and encourage use of electronic means of communication which serves towards environmental protection and sustainable growth. The Company has planted trees and shrubs in and around the office building to restore the environment. Further, the employees of the Company have also planted trees at Keshav Shrishti, Uttan, during the year under review.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

Since, the Company is not involved in any manufacturing activity, the reporting on use of energy, water, raw material etc. is not applicable.

However, the Company is equipped with rainwater harvesting system and recycles waste water to reuse as flush water and in watering plants.

BUSINESS RESPONSIBILITY REPORT *(Contd.)*

Further, there is thermal insulator which help in reducing the heat transfer thereby improving cooling inside the building and hence reducing power consumption.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

Since the Company is not involved in any manufacturing activity, the reporting on sustainable sourcing is not applicable. The only raw material required is the fund for which possible sources have been trapped at appropriate time to enable the Company to raise the required fund at competitive interest rates.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

The Company wherever practically possible and feasible, has tried to improve the capacity and capability of local and small vendors by patronizing them to supply / provide different services required by the Company for its day to day administration / operation.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Since the Company is not involved in any manufacturing activity, the reporting on recycle mechanism is not applicable. However, the solid waste management is done by recycling paper, tissue, plastic bottles and cardboard waste.

Further, the IT wastes are outsourced to vendor which disposes off the wastes as per proper waste disposal mechanism. Also the old papers and documents are scrapped in such a manner such that they may be recycled.

Principle 3 – Business should promote the wellbeing of all employees

1. Please indicate the Total number of employees:

The total numbers of employees as on March 31, 2019 - 3,249.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis:

Nil

3. Please indicate the Number of permanent women employees:

The total number of women employees as on March 31, 2019 - 788.

4. Please indicate the Number of permanent employees with disabilities:

The number of employees with disabilities as on March 31, 2019 - 1.

5. Do you have an employee association that is recognized by Management:

There is no employee association. However, mechanisms are in place for employees to represent their issues, if any, and the same is resolved amicably.

6. What percentage of your permanent employees are members of this recognized employee association?

Not Applicable

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

Sr. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	MOFSL does not hire child labour, forced labour or involuntary labour – No reported case	Not Applicable
2	Sexual harassment	1	Nil
3	Discriminatory employment	None	Not Applicable

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- (a) Permanent Employees: 49% of our permanent employees (including women employees) have received training in the last year. Employees based in India, undergo fire drill and fire safety training every year.
- (b) Permanent Women Employees: 63% of our women employees (except employees who were on long medical leave) have undergone the training.
- (c) Casual/Temporary/Contractual Employees: 82% of Casual/Temporary/Contractual employees have undergone the training.
- (d) Employees with Disabilities: All employees with disabilities have undergone the training.

Principle 4 – Business should respect the interests of, and be responsive towards all stakeholders especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes. The Company has identified its stakeholders in the BR Policy. These include, but are not limited to shareholders, employees, clients, business partners and the wider community.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes, the Company's CSR Committee identifies disadvantaged, vulnerable & marginalized stakeholders through its dedicated team and directs the CSR activities of the Company towards such stakeholders.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company engages with each of its stakeholders through a variety of forums. The details of the engagement with such stakeholders has been laid out in the CSR report of the Company in **Annexure 5** to the Board's Report forming part of Annual Report.

Principle 5 – Business should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes. The Policy on human rights extend to Company and its Group Company. Further, the Company encourage others to follow to extend possible while having relation with Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company has not received any complaint governing this principle.

Principle 6 – Business should respect, protect and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group /Joint Ventures /Suppliers /Contractors / NGOs / others.

Presently, the Policy related to Principle 6 is applicable to the MO Group.

2. Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

The Company is engaged in the industry of providing services and not manufacturing of any goods, hence is a non-pollutant Company, however it has a deep concern for the protection and sustainability of environment owing to which it intends to be actively involved in activities for protection of environment.

The Company emphasizes on reducing dependence on paper communications and encourages use of electronic means of communication which serves towards environmental protection and sustainable growth.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company, on a periodic basis, assess various risks affecting the Company and its stakeholders including environmental risks.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

The Company does not have any project related to Clean Development Mechanism.

However, the employees of the Company undertakes various clean-up programs e.g. cleaning beaches, etc.

5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The Company uses LED lights on all floors which consumes 45% less power. The office space is provided with motion sensors to ensure that the lights are on only when the person is present. Further, the Company's building is covered with aluminium fins all around. These fins do not allow the sun rays to permeate through the glass directly. 65% to 70% of direct sun rays are refracted and hence minimum power is utilized for cooling.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Not Applicable

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil

Principle 7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

The Company is presently not a member of any trade and chamber or association.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Not applicable

Principle 8 – Businesses should support inclusive growth and equitable development.

1. **Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?**

The Company with its vision of equitable development and in adherence to social responsibility towards society as imposed under Section 135 of Companies Act, 2013, has been engaged into activities of providing education to under privileged children and its employees have also been serving towards assisting organisation for providing education by taking time out from there day to day activities.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?**

Yes. The projects, programmes are undertaken through in house teams and with the help of NGOs. The Company also undertake various CSR projects through Motilal Oswal Foundation, Section 25 Company incorporated as per the Companies Act, 1956.

3. **Have you done any impact assessment of your initiative?**

The Company as part of its CSR expenditure monitoring initiative has called for status reports immediately on contribution from the various Implementation agencies (NGOs) with which it has partnered while expending its CSR funds. The Implementation agencies (NGOs) submit their report with details of all those beneficiaries who have benefitted from the project and also the overall implementation of the project. Even before disbursement of funds the representatives of the Company conduct a field visit to the project site and try to assess the overall feasibility of the project which is considered to be funded.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

The Company has spent an amount of INR 1,090 lakhs at group level in the Financial Year 2018-19 towards programs / projects through various NGOs and other organizations in three areas of its focus, namely Education and Medical Treatment.

For further details, kindly refer Note 48 of Consolidated Financial Statement.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

The Company periodically monitors the outcome of the community development initiatives in relation to the objectives.

Principle 9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

The percentage of customer complaints pending as on the end of financial year – 2.97%

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**

The Company is engaged in Broking Business as on March 31, 2019 and hence this is not applicable.

BUSINESS RESPONSIBILITY REPORT *(Contd.)*

- 3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

The Company has not been served complaint with any activities involving unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during preceding five years which is pending as on the end of Financial Year 2018-19.

- 4. Did your Company carry out any consumer survey/consumer satisfaction trends?**

The Company has not carried out any formal consumer survey/ consumer satisfaction trends. However, the Company keeps track of responses / comments on social media network.

For and on behalf of the Board of
Motilal Oswal Financial Services Limited

Motilal Oswal
Chairman and Managing Director
(DIN: 00024503)

Place : Mumbai
Date : May 11, 2019



INDEPENDENT AUDITOR'S REPORT

To the Members of Motilal Oswal Financial Services Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying standalone financial statements of Motilal Oswal Financial Services Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>First time adoption of Ind AS framework</p> <p>Refer note 2.1 for significant accounting policies and note 63 for reconciliation.</p> <p>As disclosed in note 2.1 to the financial statements, the Company has adopted the Indian Accounting Standards notified under section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) ('Ind AS') with effect from 01 April 2018 (1 April 2017 being the transition date) and prepared the first set of financial statements under Ind AS framework in the current year.</p> <p>For periods up to and including the year ended 31 March 2018, the Company the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP').</p> <p>This change in the financial reporting framework required an end-to-end evaluation of the potential impact on each component of the financial statement which involved significant efforts. This process also required the management</p>	<p>Our procedures in respect of the first time adoption of Ind AS framework included, but were not limited to, the following:</p> <p>Design / controls</p> <ul style="list-style-type: none"> Assessed the design, implementation and operating effectiveness of key internal controls over management's evaluation of transition date choices and exemptions availed in line with the principles under Ind AS 101. <p>Substantive tests</p> <ul style="list-style-type: none"> Evaluated the implementation of exemptions availed by the Company in accordance with the requirements of Ind AS 101, First Time Adoption of Indian Accounting Standards (Ind AS 101). Evaluated the accounting policies adopted by the Company on transition to Ind AS and assessed its appropriateness and the requirements of relevant accounting standards under the Ind AS framework. Assessed areas of significant estimates and management judgment in line with principles under Ind AS.

INDEPENDENT AUDITOR'S REPORT *(Contd..)*

Key audit matter	How our audit addressed the key audit matter
<p>to apply significant judgements to identify and elect appropriate accounting policies suitable for various transactions and balances relating to the operations of the Company including electing of available options for transition of balances as at the transition date from the previous GAAP to the new GAAP.</p> <p>Further, the first time preparation of the Ind AS financial statements involved preparation and presentation of additional notes and disclosures as required by the Ind AS framework as compared to the previous GAAP in addition to Note 63 to the financial statements setting forth the reconciliation of balances from previous GAAP to the new GAAP as at the transition date, and the impact of restatement on the results of the comparative period due to such transition. The areas where there were a significant impact on account of first time adoption involved the following standards amongst others:</p> <ol style="list-style-type: none"> a. Ind AS 109, Financial Instruments – Fair Valuation of Investments b. Ind AS 107, Financial Instruments: Disclosures <p>Considering the significance of the event in the current year to the financial statements, the complexities and efforts involved, this matter has been identified as a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> • Evaluated the appropriateness and adequacy of disclosures in financial statements. Motilal Oswal Financial Services Limited Independent Auditor's Report on the Financial Statements
<p>Information Technology system for the financial reporting process</p> <p>The Company is highly dependent on its information technology (IT) systems for carrying on its operations which require large volume of transactions to be processed on a daily basis. Further, the Company's accounting and financial reporting processes are dependent on the automated controls enabled by IT systems which impacts key financial accounting and reporting items such as Brokerage income, Trade receivable ageing amongst others. The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting.</p> <p>We have focused on user access management, change management, segregation of duties, developer access to the production environment and changed to IT environment. Further, we also focussed on key automated controls relevant for financial reporting.</p> <p>Accordingly, our audit strategy has focused on key IT systems and controls due to pervasive impact and performing an extensive testing of automated controls and ITGCs; we have determined the same as a key audit matter for current year audit.</p>	<p>Our key audit procedures with the involvement of our IT specialists included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Company's IT environment and conducted risk assessment and identified IT applications, databases and operating systems that are relevant to our audit. Also, obtained an understanding of key controls operating over the such identified systems; • Tested the design and operating effectiveness of the Company's IT controls over IT applications as identified above; • For the IT applications identified above, tested IT general controls particularly logical access, change management and aspects of IT operational controls. Tested that requests for access to systems were appropriately reviewed and authorised; tested controls around Company's periodic review of access rights; inspected requests of changes to systems for appropriate approval and authorisation. • Tested related interfaces, configuration and other application layer controls identified during our audit and report logic for system generated reports relevant to the audit mainly for Brokerage income, Trade receivable ageing for evaluating completeness and accuracy. • Where deficiencies were identified, tested compensating controls or performed alternative procedures.

INDEPENDENT AUDITOR'S REPORT *(Contd..)*

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of investments carried at fair value</p> <p>Refer note 2.6 for significant accounting policies and note 8 and note 57 for financial disclosures</p> <p>As at 31 March 2019, the Company held investments amounting to ₹3,095 crores which represent 54 % of the total assets of the Company as at 31 March 2019.</p> <p>The investments which are valued using Level 2 and 3 inputs comprise 18% of the total investments of the Company as at 31 March 2019.</p> <p>These investments comprise of investment in real estate funds, alternative investment funds and private equity funds and unquoted equity investments.</p> <p>The aforesaid investment is not traded in the market. These investments are fair valued using Level 2 and 3 inputs. The fair valuation of these investments is determined by a management appointed independent valuation specialist based on discounted cash flow method for equity, Investment in Alternate Investment funds are valued based on the net asset value declared by the respective funds. The process of computation of fair valuation of investments include use of unobservable inputs and management judgements and estimates which are complex.</p> <p>The key assumptions underpinning management's assessment of fair value of these investments, include application of liquidity discounts; calculation of discounting rates and the estimation of projections of revenues, projections of future cash flows, growth rates.</p> <p>The valuation of these investments was considered to be one of the areas which required significant auditor attention and was one of the matters of most significance in the standalone financial statements due to the materiality of total value of investments to the standalone financial statements and the complexity involved in the valuation of these investments.</p>	<p>Our audit procedures in relation to valuation of investments included, but were not limited to, the following:</p> <p>Design/Controls:</p> <ul style="list-style-type: none"> • Obtained a detailed understanding of the management's process and controls for determining the fair valuation of these investments. The understanding was obtained by performance of walkthroughs which included inspection of documents produced by the Company and discussion with those involved in the process of valuation; • Evaluated the design and the operational effectiveness of relevant key controls over the valuation process, including the Company's review and approval of the estimates and assumptions used for the valuation including key authorization and data input controls; <p>Substantive tests:</p> <ul style="list-style-type: none"> • Assessed the appropriateness of the valuation methodologies for varied type of investments in accordance with the Company's policy and tested the mathematical accuracy of the management's model adopted for different types of investments; • Obtained the valuation reports done by the management's expert and assessed the expert's competence, objectivity and independence in performing the valuation of these investments; • For these investments, critically evaluated the valuation assessment and resulting conclusions by the Company in order to determine the appropriateness of the valuations by performing reasonableness tests and evaluating sensitivity analysis for the key inputs and assumptions; • Ensured the appropriateness of the carrying value of these investments in the financial statements and the gain or loss recognised in the financial statements as a result of such fair valuation; and • Ensured the appropriateness of the disclosures in accordance with the applicable accounting standards • Obtained written representations from the management and those charged with governance whether they believe significant assumptions used in valuation of the investments are reasonable.

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the Chairman's message and Management discussion and analysis but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Board's report, which is expected to be made available to us after that date.

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

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

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

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

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

Responsibilities of Management and Those Charged with Governance for the Standalone

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT (Contd..)

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
17. Further to our comments in Annexure I, as required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 11 May 2019 as per Annexure
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 39 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2019;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai
Partner
Membership No.: 105782
Place: Mumbai
Date : 11 May 2019

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

Annexure to the Independent Auditor's Report of Even Date to the Members of Motilal Oswal Financial Services Limited on Standalone Financial Statements for the Year Ended 31 March 2019

ANNEXURE I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All property, plant and equipment have not been physically verified by the management during the year, however, there is a regular program of verification once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, Plant and Equipment') are held in the name of the Company.
- (ii) The Company does not have any tangible inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has granted unsecured loans to companies covered in the register maintained under Section 189 of the Act; and with respect to the same:
 - (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the company's interest.
 - (b) the schedule of repayment of the principal and the payment of the interest has not been stipulated and hence we are unable to comment as to whether repayments/ receipts of the principal amount and the interest are regular;
 - (c) there is no overdue amount in respect of loans granted to such companies.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Undisputed amounts payable in respect of stamp duty, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Statement of arrears of Statutory Dues outstanding for more than six months :

Name of Statute	Nature of Amount	Amount (in lakhs)	Period to which Amount Relates	Due Date	Due Date of Payment
Indian Stamp Act, 1899	Stamp Duty	104	FY 16-17	Not Available as Stamp Duty is collected in States where Payment and Levy Mechanism is not established.	Not paid as on 11 May 2019
Indian Stamp Act, 1899	Stamp Duty	150	FY 17-18		
Indian Stamp Act, 1899	Stamp Duty	77	FY 18-19		

- (b) The dues outstanding in respect of income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Name of the statute	Nature of due	Amount (₹ in Lacs)	Amount Paid under Protest (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	21	–	2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	13	–	2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	2	15	2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	3		2009-10	Commissioner of Income Tax (Appeals)

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

Name of the statute	Nature of due	Amount (₹ in Lacs)	Amount Paid under Protest (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	59	65	2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	53	33	2011-12	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	8	20	2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	31	5	2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1	100	2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	110	9	2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	0.15	-	2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	261		2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	152		2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	68	92	2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	433		2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	0.06	-	2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	396	-	2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	42	-	2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	129	-	2016-17	Commissioner of Income Tax (Appeals)

- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government or any dues to debenture-holders during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of clause 3(xvi) of the Order are not applicable.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai
Partner
Membership No.: 105782

Place: Mumbai
Date : 11 May 2019

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

Annexure II to the Independent Auditor's Report of even date to the members of Motilal Oswal Financial Services Limited on the Standalone Financial Statements for the year ended 31 March 2019

ANNEXURE II

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Motilal Oswal Financial Services Limited ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on 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 ('the Guidance Note') 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of Internal Financial Controls

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai

Partner

Membership No.: 105782

Place: Mumbai

Date : 11 May 2019



BALANCE SHEET

Particulars	Note No.	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
I. ASSETS				
1. Financial assets				
(a) Cash and cash equivalents	4	25,799	18,317	12,212
(b) Bank balance other than (a) above	5	30,652	5,228	9,405
(c) Receivables				
(i) Trade receivables	6	1,18,413	73,120	94,594
(ii) Other receivables		12	1,676	1,525
(d) Loans	7	52,363	62,512	1,369
(e) Investments	8	3,09,495	3,11,793	2,45,044
(f) Other financial assets	9	3,300	2,308	2,714
Sub - total financial assets (A)		5,40,034	4,74,954	3,66,863
2. Non - financial assets				
(a) Current tax assets (net)	10	23	1,072	2,882
(b) Investment Property	11	8,279	7,764	7,624
(c) Property, plant and equipment	12A	18,424	19,263	19,380
(d) Intangible assets under development	12B	130	-	-
(e) Other intangible assets	12C	1,404	1,085	744
(f) Other non - financial assets	13	2,330	1,643	1,151
Sub - total non - financial assets (B)		30,590	30,827	31,781
3. Assets held for sale (C)	25	-	21,899	25,760
Total assets (A+B+C)		5,70,624	5,27,680	4,24,404
II. LIABILITIES AND EQUITY				
Liabilities				
1. Financial liabilities				
(a) Payables				
(i) Trade payables				
(i) total outstanding dues of micro enterprise and small enterprise				
(ii) total outstanding dues of creditors other than micro enterprise and small enterprise	14	1,14,629	97,608	71,890
(ii) Other payables				
(i) total outstanding dues of micro enterprise and small enterprise				
(ii) total outstanding dues of creditors other than micro enterprise and small enterprise				
(b) Debt securities	15	39,771	81,229	49,658
(c) Borrowings (other than debt securities)	16	1,02,180	44,721	48,803
(d) Deposits	17	5	1,192	769
(e) Other financial liabilities	18	37,115	26,231	13,556
Sub - total financial liabilities (A)		2,93,700	2,50,981	1,84,676
2. Non - financial liabilities				
(a) Current tax liabilities (net)	19	-	-	303
(b) Provisions	20	7,397	9,742	5,966
(c) Deferred tax liabilities (net)	21	8,986	10,988	9,784
(d) Other non - financial liabilities	22	1,185	438	174
Sub - total non - financial liabilities (B)		17,568	21,168	16,228
3. Liabilities towards assets held for sale (C)	25	-	17,387	28,411
4. Equity:				
(a) Equity share capital	23	1,457	1,451	1,445
(b) Other equity	24	2,57,899	2,36,693	1,93,646
Sub - total equity (D)		2,59,356	2,38,144	1,95,091
Total Liabilities and equity (A+B+C+D)		5,70,624	5,27,680	4,24,404

The accompanying notes 1 to 66 form an integral part of the financial statements

This is the Balance Sheet referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Sudhir N. Pillai
Partner
Membership Number: 105782

Place : Mumbai
Date : 11th May 2019

For and on behalf of the Board of Directors
Motilal Oswal Financial Services Limited

Motilal Oswal
Chairman and Managing Director
DIN : 00024503
Shalibhadra Shah
Chief Financial Officer
Place : Mumbai
Date : 11th May 2019

Raamdeo Agarawal
Joint Managing Director
DIN : 00024533
Kailash Purohit
Company Secretary

STATEMENT OF PROFIT AND LOSS



Particulars	Note No.	For the year ended 31-Mar-19 ₹ in Lakhs	For the year ended 31-Mar-18 ₹ in Lakhs
REVENUE FROM OPERATIONS			
(i) Interest income	26	17,254	16,159
(ii) Dividend income	27	8,093	5,569
(iii) Rental income	28	2,482	2,351
(iv) Fees and commission income	29		
- Brokerage and fees income		71,035	72,365
- Other commission income		10,835	11,814
(v) Net gain on fair value changes	30	8,216	24,301
(vi) Other operating income	31	3,812	2,971
1) Total revenue from operations		1,21,727	1,35,530
2) Other income	32	3,142	367
3) Total Income (1 + 2)		1,24,869	1,35,897
EXPENSES			
(i) Finance cost	33	10,428	9,288
(ii) Fees and commission expense	34	31,832	33,364
(iii) Impairment on financial instruments	35	681	1,444
(iv) Employee benefits expense	36	27,906	27,134
(v) Depreciation, amortisation and impairment	37	1,801	2,942
(vi) Other expenses	38	12,871	11,143
4) Total expenses		85,519	85,315
5) Profit before tax (3 - 4)		39,350	50,582
Tax expense / (credit):			
(i) Current tax		8,914	8,590
(ii) Deferred tax expense / (credit)		(1,927)	1,287
(iii) Minimum alternate tax credit entitlement		-	530
(iv) Short provision for earlier years		-	267
6) Total tax expenses		6,987	10,674
7) Profit after tax from continuing operations (5-6)		32,363	39,907
Loss from discontinuing operations before tax		(186)	(892)
Tax on discontinuing operations		54	312
8) Loss from discontinuing operations after tax		(132)	(580)
9) Profit for the period (7+8)		32,231	39,327
Other comprehensive income / (loss)			
(i) Items that will not be reclassified to profit or loss			
(a) Actuarial gain / (loss) on post retirement benefit plans		35	472
(b) Fair value gain / (loss) of investment		(737)	10,470
(c) Deferred tax impact on the above		74	84
10) Other comprehensive income / (loss)		(628)	11,026
Total comprehensive income for the period (9 + 10)		31,603	50,353
Earnings per share for continuing operations (face value ₹ 1 per equity share)			
Basic (amount in ₹)		22.25	27.58
Diluted (amount in ₹)		21.65	27.14
loss per share for discontinued operations (Face value ₹ 1 per equity share)			
Basic (amount in ₹)		(0.09)	(0.40)
Diluted (amount in ₹)		(0.09)	(0.39)

The accompanying notes 1 to 66 form an integral part of the financial statements

This is the Statement of Profit and Loss referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Sudhir N. Pillai
Partner
Membership Number: 105782

Place : Mumbai
Date : 11th May 2019

For and on behalf of the Board of Directors
Motilal Oswal Financial Services Limited

Motilal Oswal
Chairman and Managing Director
DIN : 00024503
Shalibhadra Shah
Chief Financial Officer

Place : Mumbai
Date : 11th May 2019

Raamdeo Agarawal
Joint Managing Director
DIN : 00024533
Kailash Purohit
Company Secretary



CASH FLOW STATEMENT

Particulars	For the year ended 31-Mar-19 ₹ in Lakhs	For the year ended 31-Mar-18 ₹ in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	39,164	49,690
Adjustment for:		
Unrealised (gain) / loss	6,467	(8,624)
Employee stock option scheme cost	1,580	1,911
Interest income on deposits with bank	(581)	(189)
Interest expense	10,428	9,288
Depreciation, amortisation and impairment	1,801	2,942
Dividend income	(8,093)	(5,569)
Profit on sale of investment	(14,683)	(15,677)
Profit on sale of fixed assets	-	(10)
Bad debts written off	387	186
Provision for diminution in value of non-current investments	5	686
Provision on standard and doubtful assets	289	572
Gain on partnership firm	(959)	(1,111)
Operating profit	35,805	34,095
Adjustment for working capital changes		
1) Increase / (decrease) in provision	(2,569)	3,999
2) Increase / (decrease) in borrowings	40,585	4,140
3) Increase / (decrease) in current tax assets	1,049	1,810
4) Increase / (decrease) in other financial liabilities	10,596	12,962
5) Increase / (decrease) in trade payables	17,020	25,721
6) (Increase) / decrease in loans	32,043	(57,500)
7) Increase / (decrease) in debt securities	(41,457)	11,812
8) (Increase) / decrease in other non financial liabilities	747	264
9) (Increase) / decrease in other financial assets	(992)	406
10) (Increase) / decrease in other non financial asset	(687)	(492)
11) (Increase) / decrease in trade receivables	(44,305)	20,567
12) Increase / (decrease) in current tax liabilities	-	(303)
Cash generated / (used) from operations	47,835	57,481
Direct taxes paid net	(8,860)	(8,808)
Net cash generated / (used) from operating activities (A)	38,975	48,673
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of investments	61,236	33,676
Purchase of investments	(19,423)	(58,838)
Purchase of equity shares in subsidiary company	(30,989)	(6,499)
Purchase of Property, plant and equipment	(1,087)	(3,035)
Sale of Property, plant and equipment	-	51
Interest received on fixed deposits	581	189
Purchase of intangibles and intangible asset under development	(894)	-
Dividend Income	8,093	5,569
Net cash generated / (used) from investing activities (B)	17,517	(28,887)

CASH FLOW STATEMENT *(Contd..)*

Particulars	For the year ended 31-Mar-19 ₹ in Lakhs	For the year ended 31-Mar-18 ₹ in Lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issued of equity shares	6	6
Premium on issue of equity shares	1,446	1,876
Dividend paid (including Dividend distribution tax)	(13,422)	(11,095)
Proceeds of deposits received	(1,187)	423
Interest expense	(10,428)	(9,288)
Net cash generated / (used) from financing activities (C)	(23,585)	(18,078)
Net increase / (decrease) in cash and cash equivalents during the year (A +B +C)	32,907	1,708
Cash and cash equivalents as at beginning of the year		
Cash in hand	27	248
Cheque on hand	–	173
Scheduled bank - In current account	18,048	11,820
Fixed Deposit with Banks	5,448	9,581
Scheduled Bank - Unpaid Dividend Account	22	15
Total	23,545	21,837
Cash and cash equivalents as at end of the year :		
Cash in hand	31	27
Scheduled bank - In current account	14,993	18,048
Fixed Deposit with Banks	41,409	5,448
Scheduled Bank - Unpaid Dividend Account	19	22
Total	56,452	23,545
Reconciliation of cash and cash equivalents as above with cash and bank balances (also refer note no. 4 and 5)		
Cash and cash equivalents as at end of the year as per above	15,024	18,075
Add:- Fixed deposit with banks	41,409	5,448
Add:- Unpaid dividend account	19	22
Total Cash and bank balances equivalents as at end of the year	56,452	23,545

Notes :

- (i) The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules, 2015 (as amended).
- (ii) Figures in brackets indicate cash outflows.

This is the Cash Flow Statement referred to in our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Sudhir N. Pillai
Partner
Membership Number: 105782

Place : Mumbai
Date : 11th May 2019

For and on behalf of the Board of Directors
Motilal Oswal Financial Services Limited

Motilal Oswal
Chairman and Managing Director
DIN : 00024503
Shalibhadra Shah
Chief Financial Officer
Place : Mumbai
Date : 11th May 2019

Raamdeo Agarawal
Joint Managing Director
DIN : 00024533
Kailash Purohit
Company Secretary



STATEMENT OF CHANGES IN EQUITY

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

(a) Equity share capital

Particulars	Equity share capital	
	Number of shares	Amount ₹ in Lakhs
As at 1 April 2017	14,44,57,476	1,445
Changes during the year due to exercise of ESOS	6,26,082	6
As at 31 March 2018	14,50,83,558	1,451
Changes during the year due to exercise of ESOS	5,96,800	6
As at 31 March 2019	14,56,80,358	1,457

(b) Other Equity

₹ in Lakhs

Particulars	Reserves and Surplus								Other comprehensive income		Total
	Capital Redemption Reserve	Capital Reserve	Securities Premium	Share based payment reserve	Statutory Reserves (under Sec 45IC of RBI Act, 1934)	General reserve	Debenture redemption reserve	Retained earnings	Equity instruments through other comprehensive income	Actuarial gain/(losses) on post retirement benefit plans	
Balance as at 01 April 2017	71	14	46,299	1,419	9,530	5,893	85	1,30,336	-	1	1,93,647
Due to exercise of options	-	-	591	-	-	-	-	-	-	-	591
Additions during the year	-	-	1,876	1,911	-	0	-	39,328	10,692	334	54,141
Transfer to statutory reserves	-	-	-	-	2,594	-	-	(2,594)	-	-	-
Transfer to debenture redemption reserve	-	-	-	-	-	(1,473)	1,473	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	(11,095)	-	-	(11,095)
Transfer to Securities premium	-	-	-	(591)	-	-	-	-	-	-	(591)
Balance as at 31 March 2018	71	14	48,766	2,739	12,124	4,420	1,558	1,55,975	10,692	335	2,36,693
Balance as at 01 April 2018	71	14	48,766	2,739	12,124	4,420	1,558	1,55,975	10,692	335	2,36,693
Additions during the year	-	-	1,446	1,580	(12,124)	12,124	1,795	32,231	(653)	25	36,425
Transfer to debenture redemption reserve	-	-	-	-	-	(1,795)	-	-	-	-	(1,795)
Dividends	-	-	-	-	-	-	-	(13,422)	-	-	(13,422)
Total other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	0
Balance as at 31 March 2019	71	14	50,212	4,319	0	14,749	3,353	1,74,784	10,039	360	2,57,899

The accompanying notes 1 to 66 form an integral part of the financial statements

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

For and on behalf of the Board of Directors
Motilal Oswal Financial Services Limited

Sudhir N. Pillai
Partner
Membership Number: 105782

Motilal Oswal
Chairman and Managing Director
DIN : 00024503
Shalibhadra Shah
Chief Financial Officer
Place : Mumbai
Date : 11th May 2019

Raamdeo Agarawal
Joint Managing Director
DIN : 00024533
Kailash Purohit
Company Secretary

Place : Mumbai
Date : 11th May 2019



SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1: CORPORATE INFORMATION

Motilal Oswal Financial Services Limited (“MOFSL” or ‘the Company’) is a public limited company and incorporated under the provisions of Companies Act. The Company is domiciled in India and the addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

The Company is registered with Securities and Exchange Board of India (‘SEBI’) under the Stock brokers and sub-brokers Regulations, 1992 and is a member of Bombay Stock Exchange Limited, National Stock Exchange of India Limited, Multi Commodity Exchange of India Ltd. and National Commodity and Derivatives Exchange Limited. The Company acts as a stock broker and commodities broker to execute proprietary trades and also trades on behalf of its clients which include retail customers (including high net worth individuals), mutual funds, foreign institutional investors, financial institutions and corporate clients. It is registered with Central Depository Services (India) Limited and National Securities Depository Limited in the capacity of Depository Participant and also registered with SEBI in capacity of Research Analyst and Investment Advisor.

The Financial statements were approved for issuance by the Company’s Board of Director on 11 May 2019.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

(i) Compliance with Ind AS

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“the Act”) read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

The financial statements up to and including the year ended 31 March 2018 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) under the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), and other generally accepted accounting principles in India (collectively referred to as “Indian GAAP” or “Previous GAAP”)

These financial statements for the year ended 31 March 2019 are the first financial statements of the Company under Ind AS. Refer note 63 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company’s financial position, financial performance and cash flows.

The transition to Ind AS has been carried out in accordance with Ind AS 101 “First Time Adoption of Indian Accounting Standards”. Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2017.

The financial statements have been prepared using the significant accounting policies and measurement bases summarized as below. These accounting policies have been applied consistently over all the periods presented in these financial statements, except where the Company has applied certain accounting policies and exemptions upon transition to Ind AS.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain Financial instruments are measured at fair value;
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payments

(iii) Preparation of financial statements

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division III of Schedule III to the Companies Act, 2013 on 11 October 2013, the Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 60.

(iv) Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgments, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognized in the period in which the Company becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. The estimates and judgments that have significant impact on carrying amount of assets and liabilities at each balance sheet date are discussed at note 3.

2.2. Revenue Recognition

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115, Revenue from Contracts with Customers, to determine when to recognize revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognised when (or as) the Company satisfies a performance obligation by transferring a promised service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the Company recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

(i) Brokerage fee income

It is recognised on trade date basis and is exclusive of goods and service tax and securities transaction tax (STT) wherever applicable.

(ii) Research and advisory income

Research and advisory income is accounted for on an accrual basis in accordance with the terms of the respective agreements entered into between the Company and the counter party.

(iii) Interest income

Interest income is recognized on accrual basis.

(iv) Dividend income

Dividend income is recognized in the statement of profit or loss on the date that the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

(v) Portfolio management commission income

Portfolio management commissions is recognised on an accrual basis in accordance with the terms of the agreement entered with asset management company.

(vi) Rental income

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(vii) Profit and loss from partnership firm / LLP

Profit and loss from partnership firm / LLP are accounted on accrual basis and as per terms of respective Partnership / LLP agreement.

2.3. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current Tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.4. Leases

As a lessee – Operating lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor – Operating lease

Lease income from operating leases where the Group is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

2.5. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.6. Financial instruments

Initial recognition and measurement:

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

- a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
- b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

Fair value of financial instruments:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purpose. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 57.

Financial assets

(i) Classification and subsequent measurement

The Company has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

1. Financial assets carried at amortised cost

a financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

2. Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as revenue from operations in the Statement of Profit and Loss unless the Company has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognized in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'Revenue from operations' in the Statement of Profit and Loss.

3. Investments in mutual funds

Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

(ii) Impairment

The Company recognizes impairment allowances using Expected Credit Losses ("ECL") method on all the financial assets that are not measured at FVPTL:

ECL are probability-weighted estimate of credit losses. They are measured as follows:

- Financials assets that are not credit impaired – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
- Financials assets with significant increase in credit risk - as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial assets.
- Financials assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows.

Financial assets are written off / fully provided for when there is no reasonable of recovering a financial assets in its entirety or a portion thereof.

However, financial assets that are written off could still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial asset is derecognised only when :

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

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

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

Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in Statement of Profit or loss.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss is measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.7. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.8. Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

NOTES TO FINANCIAL STATEMENT (Contd..)

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognized in accordance with the principles of Ind AS 115.

2.9. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition and installation of the assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to IndAS

On transition to IndAS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013. The Company provides pro-rata depreciation from the date of installation till date the assets are sold or disposed. Leasehold improvements are amortised over the term of underlying lease.

Assets	Useful life
Leasehold Improvements	Over the primary lease period or useful life. Whichever is less.
Furniture and Fixtures	10 years
Office Equipments	5 years
Computers	3 years
Vehicles	8 to 10 years

Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit and loss when the asset is derecognized.

2.10. Intangible assets

Measurement at recognition:

Intangible assets are recognized where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment, if any.

Transition to Ind AS:

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Expenditure incurred on acquisition / development of intangible assets which are not put / ready to use at the reporting date is disclosed under intangible assets under development. The Company amortizes intangible assets on a straight-line basis over the five years commencing from the month in which the asset is first put to use. The Company provides pro-rata amortization from the day the asset is put to use.

Assets	Useful life
Computer Software	5 years

Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit and loss when the asset is derecognized.

2.11. Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used by the group for business purposes, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2.12. Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication based on internal / external factors, that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount of asset is the higher of its fair value or value in use. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects the current market assessment of time value of money and the risks specific to it. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An Impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the assets carrying amount would have been determined, net of depreciation or amortization, had no impairment loss been recognised.

2.13. Provisions and contingencies:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the reporting date.

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.14. Employee benefits

(i) Short-term obligations

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered. The Company recognises the costs of bonus payments when it has a present obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

(ii) Post-employment obligations

Defined contribution plan:

Contribution paid / payable to the recognised provident fund, which is a defined contribution scheme, is charged to the Statement of Profit and Loss in the period in which they occur.

Defined benefits plan:

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognised actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

(iii) Other long-term employee benefit obligations

Heritage club benefit

Heritage club benefits are recognised as liability at the present value of defined benefits obligation as at the Balance Sheet date. The defined obligation benefit is calculated at the Balance Sheet date by an independent actuary using the projected unit credit method.

Compensated absences

The Company does not have a policy of encashment of unavailed leaves for its employees but are permitted to carry forward subject to a prescribed maximum days. Provision is made for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

2.15. Share-based payments

Employee Stock Option Scheme (ESOS)

The Employees Stock Options Scheme ("the Scheme") has been established by the Company. The Scheme provides that employees are granted an option to subscribe to equity share of the Company that vests on the satisfaction of vesting conditions. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions. Information about the valuation techniques and inputs used in determining the sale value of assets and liabilities disclosed in note 55.

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

2.16. Foreign currency translation

(i) Functional and presentation currency

Items included in financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is MOFSL's functional and presentation currency.

(ii) Translation and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognized in other comprehensive income.

2.17. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.18. Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period (excluding other comprehensive income) attributable to equity share holders of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.19. Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirements.

2.20. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

2.21. Recent accounting developments

Standards issued but not yet effective

Ind AS 116, Leases

On 30 March 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards) Amendment Rules, 2019. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The effective date for the adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value.

The amendment is applicable to the Company from 1 April 2019.

Amendments to existing Ind AS:

Amendment to Ind AS 12, Income taxes:

On 30 March 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 19, plan amendment, curtailment or settlement:

On 30 March 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 01 April 2019. The Company does not have any impact on account of this amendment.

Amendments to Ind AS 109 Financial Instruments:

A financial asset would be classified and measured at amortised cost or at Fair Value Through Other Comprehensive Income (FVOCI) if its contractual cash flows are solely in the nature of principal and interest on the principal amount outstanding (SPPI criterion). An exception has been prescribed to the classification and measurement requirements with respect to the SPPI criterion for financial assets that:

- Have a prepayment feature which results in a negative compensation.
- Apart from the prepayment feature, other features of the financial asset would have contractual cash flows which would meet the SPPI criterion, and
- The fair value of the prepayment feature is insignificant when the entity initially recognises the financial asset. If this is impracticable to assess based on facts and circumstances that existed on initial recognition of the asset, then the exception would not be available. Such financial assets could be measured at amortised cost or at FVOCI based on the business model within which they are held.

The amendments that are not yet effective, made to the following existing standards, does not have any impact on the Company's financial statements:

- Ind AS 23 Borrowing Costs
- Ind AS 28 Investments in Associate and Joint Ventures

- Ind AS 103 Business Combinations
- Ind AS 111 Joint Arrangements

2.21. Business Combination under Common Control

Business combinations under common control are accounted for using the pooling of interest method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at carrying value on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for net identifiable assets acquired and liabilities assumed.

3. KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on ongoing basis. Any changes to accounting estimates are recognized prospectively. Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

- Provision and contingent liability:** On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.
- Allowance for impairment of financial asset:** Judgements are required in assessing the recoverability of overdue loans and determining whether a provision against those loans is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.
- Recognition of deferred tax assets:** Deferred tax assets are recognised for unused tax-loss carry forwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.
- Defined benefit plans:** The cost of defined benefit plans and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long - term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.
- Stock based compensation:** The Company account for stock-based compensation by measuring and recognizing as compensation expense the fair value of all share-based payment awards made to employees based on estimated grant date fair values. The determination of fair value involves a number of significant estimates. The Company uses the Black Scholes option pricing model to estimate the value of employee stock options which requires a number of assumptions to determine the model inputs. These include the expected volatility of Company's stock and employee exercise behavior which are based on historical data as well as expectations of future developments over the term of the option. As stock-based compensation expense is based on awards ultimately expected to vest. Management's estimate of exercise is based on historical experience but actual exercise could differ materially as a result of voluntary employee actions and involuntary actions which would result in significant change in our stock-based compensation expense amounts in the future.
- Property, plant and equipment and Intangible Assets:** Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

NOTES TO FINANCIAL STATEMENT *(Contd.)*

NOTE 4 : CASH AND CASH EQUIVALENTS

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
1. Cash and cash equivalents			
Cash on hand	31	27	29
Balance with banks			
– In current accounts	14,993	18,048	11,820
– Cheques in hand	–	–	173
– Fixed deposit with banks (Maturity within 3 months) *	10,775	242	190
Total	25,799	18,317	12,212

NOTE 5 : BANK BALANCE OTHER THAN (4) ABOVE

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
– Earmarked balances (unpaid dividend account)	19	22	15
– Fixed deposit with banks (with original maturity more than 3 months)*	24,939	4,984	9,128
– Fixed deposits (maturity more than 12 months)*	5,694	222	264
	30,652	5,228	9,406
	56,451	23,544	21,617

* Fixed deposits are pledged with exchange and banks for meeting margin requirements and for obtaining bank guarantee respectively.

NOTE 6: RECEIVABLES

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Trade receivables			
Considered good - secured*	83,622	66,332	72,136
Considered good - unsecured	35,854	7,550	22,648
Less: Allowances for impairment losses	(1,063)	(762)	-190
	1,18,413	73,120	94,594
Other receivables			
Rent Receivables others	–	408	1,013
Receivable from subsidiary companies	12	1,268	512
Total	12	1,676	1,525

1) The Company applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired trade receivables. The Company considers a trade receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganization. When a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement.

2) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

*Secured against securities given as collateral by the customer

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 7: LOANS

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Loans - At amortised cost			
(A) Others			
Loans repayable on demand	14	–	–
Loan to employees	179	165	1,369
Margin trading facility	47,562	62,347	–
Loans to related parties (subsidiaries)	4,626	–	–
Less : Impairment loss allowance	(18)	(0)	0
Total (A) Net	52,363	62,512	1,369
(B) Secured / Unsecured			
Secured by tangible assets	47,562	62,347	–
Unsecured	4,819	165	1,369
Less : Impairment loss allowance	(18)	(0)	0
Total (B) Net	52,363	62,512	1,369
(C) Loans in India			
Public sector	–	–	–
Others	52,381	62,512	1,369
Less : Impairment loss allowance	(18)	(0)	0
Total (C) Net	52,363	62,512	1,369
Stage wise break up of loans			
(i) Low credit risk (Stage 1)	52,363	62,512	1,369
(ii) Significant increase in credit risk (Stage 2)	–	–	–
(iii) Credit impaired (Stage 3)	–	–	–
Total	52,363	62,512	1,369

NOTE 8: INVESTMENTS

Particulars	Subsidiary/ others	Shares / Units			Quoted / Unquoted	Amount as at		
		31-Mar-19	31-Mar-18	1-Apr-17		31-Mar-19	31-Mar-18	1-Apr-17
		Number	Number	Number		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
1) Investment at amortised cost								
(a) Investment in subsidiaries								
Motilal Oswal Finvest Private Limited	Subsidiary	2,94,76,206	3,49,999	3,49,999	Unquoted	30,035	35	35
Motilal Oswal Securities International Private Limited	Subsidiary	45,69,200	45,69,200	45,69,200	Unquoted	457	457	457
Motilal Oswal Wealth Management Limited	Subsidiary	8,00,000	8,00,000	8,00,000	Unquoted	1,226	1,226	1,226
Motilal Oswal Asset Management Company Limited	Subsidiary	65,00,00,000	65,00,00,000	65,00,00,000	Unquoted	6,501	6,501	6,501
Motilal Oswal Trustee Company Limited	Subsidiary	1,00,000	1,00,000	1,00,000	Unquoted	10	10	10

NOTES TO FINANCIAL STATEMENT *(Contd.)*

Particulars	Subsidiary/ others	Shares / Units			Quoted / Unquoted	Amount as at		
		31-Mar-19	31-Mar-18	1-Apr-17		31-Mar-19	31-Mar-18	1-Apr-17
		Number	Number	Number		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Motilal Oswal Capital Markets (Honkong) Private Limited	Subsidiary	60,00,000	60,00,000	60,00,000	Unquoted	412	412	412
Motilal Oswal Capital Markets (Singapore) Pte. Limited	Subsidiary	13,61,111	13,61,111	13,61,111	Unquoted	1,041	1,041	1,041
Aspire Home Finance Corporation Limited	Subsidiary	4,83,62,67,897	4,77,62,67,896	4,66,41,98,930	Unquoted	56,633	55,644	49,144
Motilal Oswal Commodities Brokers Private Limited	Subsidiary	4,10,044	4,10,044	4,10,044	Unquoted	90	90	90
Motilal Oswal Investment Advisors Limited	Subsidiary	10,00,000	10,00,000	10,00,000	Unquoted	4,137	4,137	4,137
MOPE Investment Advisors Private Limited	Subsidiary	50,000	50,000	50,000	Unquoted	5	5	5
Motilal Oswal Fincap Private Limited	Subsidiary	30,00,000	30,00,000	30,00,000	Unquoted	300	300	300
Total						1,00,847	69,858	63,358
(b) Investment in equity shares								
Investment in MAS financial services limited						–	–	10,000
Shubham Housing Development Finance Company Private Limited	Others	21,377	21,377	21,377	Unquoted	265	249	322
Shriram New Horizons Limited		7,50,000	7,50,000	7,50,000	Unquoted	1,013	1,013	1,013
Central Depository Services India Limited	Others	100	100	100	Unquoted	0	0	0
Total						1,277	1,261	11,334
(c) Investment in preference shares and debentures								
Compulsory Convertible preference shares of Shubham Housing Development Finance Company Private Limited	Others	2,20,260	2,20,260	2,20,260	Unquoted	2,735	2,569	3,319
14.625%, Cumulative redeemable shares of Edelwiess Finance & Investment Limited								486
Investment in Mahveer NCD						–	–	700
Total						2,735	2,569	4,505
2) Investment at fair value through other comprehensive income								
Investment in equity shares								
AU Finance (India) Limited*	Others	32,81,796	32,81,796	32,81,796	Quoted	19,546	20,283	9,814
Total						19,546	20,283	9,814
3) Investment at fair value through profit and loss								
(a) Investments in real estate funds								
India Realty Excellence Fund I	Others	–	1,380	1,380	Unquoted	–	37	2,428
India Realty Excellence Fund II LLP	Others	–	–	–	Unquoted	4,504	6,215	9,526
India Realty Excellence Fund III	Others	97,92,497	65,67,799	49,90,696	Unquoted	10,208	6,288	5,142
India Realty Excellence Fund IV	Others	35,00,000	–	–	Unquoted	3,500	–	–
Contrarian Vriddhi Fund I LLP	Others	1,000	1,000	600	Unquoted	138	100	60
Total						18,350	12,640	17,156

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Particulars	Subsidiary/ others	Shares / Units			Quoted / Unquoted	Amount as at		
		31-Mar-19	31-Mar-18	1-Apr-17		31-Mar-19	31-Mar-18	1-Apr-17
		Number	Number	Number		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
(b) Investment in units of mutual funds								
Motilal Oswal MOST Focused 25 Fund	Others	4,11,08,111	4,11,08,111	17,82,669	Unquoted	9,556	9,035	6,519
Most Focused 30 Fund	Others	7,41,14,633	90,81,695	5,45,42,931	Unquoted	20,095	19,188	13,731
Most Shares N100 ETF	Others	18,330	18,330	18,330	Quoted	91	91	64
Most Focused Multicap 35 Fund Growth	Others	13,68,23,821	14,54,22,903	14,03,01,901	Unquoted	37,231	51,299	46,952
Most Focused Multicap 35 Fund Dividend payout	Others	-	4,58,69,209	4,58,69,209	Unquoted	-	13,410	10,748
Most Shares M50 ETF	Others	59,499	59,499	59,499	Quoted	67	57	52
MOST Shares Midcap 100 ETF	Others	5,07,650	5,07,650	5,07,650	Quoted	95	103	96
Most Focused Long Term Fund	Others	1,90,816	1,90,816	1,90,816	Unquoted	35	36	29
Total						67,170	93,219	78,191
(c) Investment in alternative investment funds								
Motilal Oswal Focused Growth Opportunities Fund	Others	72,80,244	86,37,026	61,23,940	Unquoted	1,100	1,256	771
Motilal Oswal Focused Growth Opportunities Fund (Carry units)	Others	25,287	30,000	30,000	Unquoted	7	3	1
Motilal Oswal Focused Multicap Opportunities Fund	Others	1,01,72,664	1,02,55,164	30,00,000	Unquoted	1,103	1,077	307
Motilal Oswal Focused Multicap Opportunities Fund (Carry units)	Others	82,500	82,500	-	Unquoted	9	9	-
Motilal Oswal Select Opportunities Fund	Others	99,85,273	66,87,757	-	Unquoted	1,086	645	-
Motilal Oswal Select Opportunities Fund (Carry units)	Others	1,00,000	1,00,000	-	Unquoted	11	10	-
Motilal Oswal Focused Business Advantage Fund	Others	1,00,00,000	1,00,00,000	-	Unquoted	1,179	1,068	-
Motilal Oswal Focused Business Advantage Fund (Carry units)	Others	1,00,000	1,00,000	-	Unquoted	12	11	-
Motilal Oswal Focused Emergence Fund	Others	1,17,19,700	79,79,731	-	Unquoted	961	753	-
Motilal Oswal Rising India Fund	Others	97,49,870	30,00,000	-	Unquoted	1,033	301	-
Total						6,501	5,133	1,079
(d) Investment in private equity funds								
India Business Excellence Fund I	Others	475	475	475	Unquoted	6,058	6,188	6,916
India Business Excellence Fund II	Others	6,82,500	6,82,500	6,82,500	Unquoted	10,265	10,285	7,561
India Business Excellence Fund II (Carry units)	Others	997	997	997	Unquoted	10	10	10
India Business Excellence Fund III	Others	29,76,095	17,00,000	-	Unquoted	12,717	5,310	-
Total						29,050	21,793	14,487
Total (I)						2,45,477	2,26,757	1,99,925
(e) Investment in units of liquid mutual funds								
Reliance Liquid Fund - Treasury Plan - Growth Plan - Growth Option	Others	3,19,337	3,19,338	3,19,338	Unquoted	12,598	13,476	12,627
Reliance Liquidity Fund - Growth Plan - Growth Option	Others	2,24,102	2,24,102	2,24,102	Unquoted	1,897	5,839	5,473
Reliance Banking and PSU Debt Direct Growth Fund	Others	13,29,06,806	13,29,06,806	13,29,06,806	Unquoted	18,067	16,750	15,725

NOTES TO FINANCIAL STATEMENT (Contd.)

Particulars	Subsidiary/ others	Shares / Units			Quoted / Unquoted	Amount as at		
		31-Mar-19	31-Mar-18	1-Apr-17		31-Mar-19	31-Mar-18	1-Apr-17
		Number	Number	Number		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Reliance Medium Term Fund - Direct Growth Plan - Growth Option	Others	1,51,18,164	1,51,18,164	1,51,18,164	Unquoted	6,062	5,621	5,244
Birla Sunlife Cash Plus Direct Plan Growth	Others	28,14,162	28,14,162	-	Unquoted	8,455	7,848	-
Principal Cash Management Fund Direct Growth	Others	-	4,66,795	1,59,106	Unquoted	-	7,900	2,520
Axis liquid unit mutual fund		-	-	83,854	Unquoted	-	-	1,512
ICICI pru money market - Direct plan	Others	18,71,220	22,06,429	11,19,918	Unquoted	5,172	5,303	2,520
Peerless liquid fund - Direct plan Growth	Others	-	26,353	-	Unquoted	-	504	-
Kotak floater short term - Direct plan Growth	Others	1,36,066	2,68,086	-	Unquoted	5,149	7,635	-
Religare Liquid	Others	-	3,13,919	-	Unquoted	-	7,500	-
UTI money market fund - Direct Growth	Others	1,71,136	4,03,100	-	Unquoted	5,238	7,849	-
HDFC Cash Management Liquid Units	Others	69,999	-	-	Unquoted	2,575	-	-
Total (II)						65,213	86,225	45,621
Total (I+II) (A)						3,10,690	3,12,982	2,45,546
Investment in India						3,09,237	3,11,529	2,44,093
Investment Outside India						1,453	1,453	1,453
Total (B)						3,10,690	3,12,982	2,45,546
Less Allowance for impairment loss						1,195	1,189	502
Total						3,09,495	3,11,793	2,45,044

* The Company has designated its equity investments as FVOCI on the basis that these are not held for trading and held for strategic

NOTE 9 : OTHER FINANCIAL ASSETS

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Electricity and other deposits	978	866	745
Deposits with exchange	1,673	1,135	1,950
Interest Accrued	-	-	19
Securities in trade*	-	26	-
Receivable from exchanges	649	281	-
Total	3,300	2,308	2,714

*Securities in trade comprises of investment in equity instruments held on behalf of clients.

NOTE 10 : CURRENT TAX ASSETS (NET)

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Advance tax (Net of provision)	23	1,072	1,862
MAT credit receivable	-	-	1,020
Total	23	1,072	2,882

NOTES TO FINANCIAL STATEMENT (Contd..)

NOTE 11 : INVESTMENT PROPERTY

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Balance at the beginning of the year	7,764	7,624	4,740
Acquisitions through business combinations	–	–	3,088
Addition during the year	570	461	190
Deduction during the year	–	(154)	(168)
Depreciation for the year	(55)	(167)	(226)
Total	8,279	7,764	7,624

NOTE 12 : PROPERTY PLANT AND EQUIPMENTS

Current year

(₹ in Lakhs)

Particulars	Gross block				Accumulated depreciation/amortization				Net block	
	Balance as at 1-Apr-18	Additions	Disposals	Balance as at 31-Mar-19	Balance as at 1-Apr-18	Additions	Disposals	Balance as at 31-Mar-19	Balance as at 31-Mar-18	Balance as at 31-Mar-19
Property, plant and equipment										
Land	2,667	–	–	2,667	–	–	–	–	2,667	2,667
Buildings	19,791	193	768	19,217	6,011	545	144	6,412	13,780	12,805
Plant and machinery	6,912	349	–	7,261	5,553	142	–	5,695	1,359	1,566
Furniture and fixtures	2,347	43	–	2,390	1,583	109	–	1,692	764	698
Vehicles	612	187	–	799	458	65	–	523	154	276
Office equipments	3,369	315	–	3,684	2,830	443	–	3,272	539	412
Total (A)	35,698	1,087	768	36,018	16,435	1,304	144	17,594	19,263	18,424
Intangible assets under development	–	130	–	130	–	–	–	–	–	130
Total (B)	–	130	–	130	–	–	–	–	–	130
Intangible assets										
Goodwill	90	–	–	90	90	–	–	90	–	–
Computer software	3,820	764	–	4,584	2,735	444	–	3,179	1,085	1,405
BSE/MCX Cards	648	–	–	648	648	–	–	648	–	–
Custom Right	684	–	–	684	684	–	–	684	–	–
Total (C)	5,242	764	–	6,006	4,157	444	–	4,600	1,085	1,405
Total (A) + (B) + (C)	40,940	1,981	768	42,154	20,592	1,748	144	22,194	20,348	19,959

Particulars	Gross block				Accumulated depreciation / amortization				Net block	
	Balance as at 1-Apr-17	Additions	Disposals	Balance as at 31-Mar-18	Balance as at 1-Apr-17	Additions	Disposals	Balance as at 31-Mar-18	Balance as at 1-Apr-17	Balance as at 31-Mar-18
Property, plant and equipment										
Land	2,667	–	–	2,667	–	–	–	–	2,667	2,667
Buildings	19,187	604	–	19,791	4,885	1,127	–	6,011	14,293	13,780
Plant and machinery	5,817	1,093	–	6,912	4,738	815	–	5,553	1,080	1,359
Furniture and fixtures	2,028	319	–	2,347	1,467	190	(74)	1,583	561	764
Vehicles	633	95	(116)	612	303	154	–	458	330	154
Office equipments	3,087	282	–	3,369	2,638	192	–	2,830	449	539
Total (A)	33,419	2,393	(116)	35,698	14,031	2,478	(74)	16,435	19,380	19,263

NOTES TO FINANCIAL STATEMENT (Contd.)

Particulars	Gross block				Accumulated depreciation / amortization				Net block	
	Balance as at 1-Apr-17	Additions	Disposals	Balance as at 31-Mar-18	Balance as at 1-Apr-17	Additions	Disposals	Balance as at 31-Mar-18	Balance as at 1-Apr-17	Balance as at 31-Mar-18
Intangible assets										
Goodwill	90	–	–	90	90	–	–	90	–	–
Computer software	3,182	638	–	3,820	2,437	298	–	2,735	744	1,085
BSE/MCX Cards	648	–	–	648	648	–	–	648	–	–
Custom Right	684	–	–	684	684	–	–	684	–	–
Total (B)	4,604	638	–	5,242	3,859	298	–	4,157	744	1,085
Total (A) + (B)	38,022	3,031	(116)	40,940	17,889	2,777	(74)	20,592	20,124	20,348

NOTE 13 : OTHER NON-FINANCIAL ASSETS

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Capital advances	144	348	173
For supply of services	629	743	250
Prepaid expenses	409	491	350
Others	70	61	93
Tax receivables	1,078	–	285
Total	2,330	1,643	1,151

NOTE 14 : PAYABLES

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Trade payables			
(i) total outstanding dues of micro enterprise and small enterprise (Refer note no. 46)	–	–	–
(ii) total outstanding dues of creditors other than micro enterprise and small enterprise	1,14,629	97,608	71,890
Total	1,14,629	97,608	71,890

NOTE 15 : DEBT SECURITIES

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
At Amortised cost			
Commercial paper (Unsecured)			
(i) from banks	–	–	–
(ii) from other parties	19,771	61,229	44,658
Others (Secured)			
Redeemable non-convertible debenture*	20,000	20,000	5,000
Total (A)	39,771	81,229	49,658
Debt securities in India	39,771	81,229	49,658
Debt securities outside India	–	–	–
Total (B)	39,771	81,229	49,658

NOTES TO FINANCIAL STATEMENT (Contd..)

*Redeemable non-convertible debenture

Series A - 25 Crores, Redemption date - 30th April 2019, Coupon rate - 8.50% PA

Series B - 25 Crores, Redemption date - 5th June 2019, Coupon rate - 8.50% PA

Series C - 150 Crores, Redemption date - 3 July 2020, Coupon rate - 8.53% PA

b) Assets Cover available in case of Non Convertible Debt Securities :

- i) First Gala no. L- 105 on first floor, Rajlaxmi Commercial Complex, Village Klaher, Taluka Bhiwandi (District Thane) admeasuring about 1718 square feet built up equivalent to 159.66 sq mt.
- ii) The Loan receivables of the Company of both present and future to the extent of required security cover.
- iii) Mutual fund investment by the Company of both present and future to the extent of required security cover.
- iv) Units of Private Equity funds owned by the Company.

NOTE 16 : BORROWINGS (OTHER THAN DEBT SECURITIES)

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
At Amortised cost			
Term loans			
(i) from banks (secured)*#	9,000	-	-
(ii) from other parties(secured)	-	23,124	32,349
Demand loans			
(i) from banks (Secured)	88,180	21,597	16,454
(ii) from other parties*	5,000	-	(0)
	1,02,180	44,721	48,803
Borrowing in India	1,02,180	44,721	48,803
Borrowing outside India	-	-	-
Total	1,02,180	44,721	48,803

* Term loan from banks is secured against units of mutual funds and approved list of shares and securities. Demand loans from banks and other parties are secured against the property, plant and equipment and trade receivables of the company respectively.

It consists of loan of ₹ 9,000 Lakhs from Kotak Mahindra Bank Limited which is repayable on 25 June 2019 and secured against units of mutual funds and approved list of shares and securities

NOTE 17 : DEPOSITS

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Security deposit (against premises given on lease)	5	1,192	769
Total	5	1,192	769

NOTES TO FINANCIAL STATEMENT *(Contd.)*

NOTE 18 : OTHER FINANCIAL LIABILITIES

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Margin money	31,565	19,538	7,751
Interest accrued but not due on borrowings	1,044	2,398	1,834
Interest accrued and due on borrowings	–	48	6
Unpaid dividend (refer Note (a) below)	36	22	15
Accrued salaries and benefits	25	70	152
For other expense	–	8	118
Other payables (includes payable to vendors)	3,021	2,974	1,550
Other provisions (includes provision for expenses)	1,305	559	44
Taxes payable	–	489	2,049
Book overdraft	119	125	37
Total	37,115	26,231	13,556

NOTE 19 : CURRENT TAX LIABILITIES

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Provision for income taxes	–	–	–
Taxes payable	–	–	303
Total	–	–	303

NOTE 20 : PROVISIONS

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Provision for employee benefits			
Compensated absences	72	39	34
Gratuity and heritage obligation (also refer note 43)	1,481	1,241	929
Service charges	21	21	–
ExGratia / Incentive payable (also refer note 43)	5,823	8,441	5,003
Total	7,397	9,742	5,966

NOTE 21 : DEFERRED TAX LIABILITIES (NET)

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Deferred Tax Liabilities (net) (refer note 56)	8,986	10,988	9,783
Total	8,986	10,988	9,783

NOTES TO FINANCIAL STATEMENT (Contd..)

NOTE 22 : OTHER NON-FINANCIAL LIABILITIES

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Advance received from customers	1,185	438	174
Total	1,185	438	174

NOTE 23 : EQUITY SHARE CAPITAL

	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
Authorised						
Equity shares of ₹ 1 each (previous year ₹ 1 each)	92,50,00,000	9,250	92,50,00,000	9,250	87,00,00,000	8,700
Preference shares of ₹ 100 (Previous year ₹ 100 each)	56,50,000	5,650	56,50,000	5,650	50,00,000	5,000
	93,06,50,000	14,900	93,06,50,000	14,900	87,50,00,000	13,700
Issued, subscribed and paid up						
Equity shares of ₹ 1 each fully paid up (previous year ₹ 1 each)	14,56,80,358	1,457	14,50,83,558	1,451	14,44,57,476	1,445
Of the above, 8,03,43,667 shares (Previous year 7,77,34,132) held by holding company Passionate Investment Management Private Limited						
	14,56,80,358	1,457	14,50,83,558	1,451	14,44,57,476	1,445

2.1 Terms / rights attached to shares

Equity shares :

The Company has one class of equity shares having a par value of ₹ 1 each (previous year: having a par value of ₹ 1 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2019, dividend recognized as distribution to equity shareholders was ₹ 8.50 per share consisting of final dividend of ₹ 4.50 per share for previous year ended 31 March 2018 and interim dividend of ₹ 4 per share for year ended 31 March 2019. The total dividend appropriated amounts to ₹ 12,374 lakhs (Previous Year: ₹ 10,129 lakhs) and dividend distribution tax of ₹ 1048 lakhs (Previous year: ₹ 966 lakhs).

The Board of Directors at their meeting held on 11 May 2019, proposed a final dividend of ₹ 4.50 per share for year ended 31 March 2019, subject to the approval of the members at the ensuing Annual General Meeting. In terms of Indian Accounting Standard (IND AS) 10 'Events after the reporting period', the Company has not accounted for proposed dividend as a liability as at 31 March 2019. If approved the total liability arising to the Company would be ₹ 7,903 lakhs including dividend distribution tax (previous year ₹ 7,871 lakhs).

Preference shares :

The Company has only one class of preference shares having a par value of ₹ 100 each and there are no preference shares issued and subscribed as on 31 March 2019, 31 March 2018 and 31 March 2017.

NOTES TO FINANCIAL STATEMENT *(Contd.)*

2.2 Reconciliation of number of shares outstanding

	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
At beginning of the year	14,50,83,558	1,451	14,44,57,476	1,445	14,21,74,075	1,422
Stock options exercised under the ESOS	5,96,800	6	6,26,082	6	22,83,401	23
At the end of the year	14,56,80,358	1,457	14,50,83,558	1,451	14,44,57,476	1,445

2.3 Shares held by holding Company

Name of shareholder	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
Passionate Investment Management Private Limited	8,03,43,667	55	7,77,34,132	54	7,67,92,394	53

2.4 Share holder having more than 5% equity share holding in the Company

Name of shareholder	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
Passionate Investment Management Private Limited	8,03,43,667	55	7,77,34,132	54	7,67,92,394	53
Mr. Motilal Oswal	1,01,62,071	7	1,16,39,607	8	1,21,10,476	8
Mr. Raamdeo Agarawal	1,01,62,071	7	1,12,55,131	8	1,17,27,100	8
Mr. Navin Agarwal	70,04,010	5	70,04,010	5	78,04,010	5

2.5 The company has not issued any bonus shares for consideration other than cash nor there been any buyback of shares during the years immediately preceding 31 March 2019

NOTE 24 : OTHER EQUITY

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Capital redemption reserve			
Balance at the beginning of the year	71	71	71
Add: Addition during the year	—	—	—
Balance as at end of the year	71	71	71
Capital reserve			
Balance at the beginning of the year	14	14	—
Opening balance of transferor company	—	—	14
Balance at the end of the year	14	14	14
Securities premium			
Balance at the beginning of the year	48,766	46,299	43,063
Add: during the year	1,446	1,876	3,235
Add: Transfer from ESOS Reserve	891	591	—
Balance as at end of the year	51,103	48,766	46,299

NOTES TO FINANCIAL STATEMENT *(Contd..)*

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Share option outstanding account			
Balance at the beginning of the year	2,739	1,419	–
Transfer to securities premium	(891)	(591)	–
Option granted during the year (Refer note no. 55)	1,580	1,911	1,419
Balance as at end of the year	3,428	2,739	1,419
Statutory reserve (under Sec 451C of RBI Act, 1934)			
Balance at the beginning of the year	12,124	9,530	7,804
Transfer to general reserve	(12,124)	–	–
Add: Transferred from surplus in the statement of Profit and Loss	–	2,594	1,726
Balance as at end of the year	–	12,124	9,530
General reserve			
Balance at the beginning of the year	4,420	5,893	2,654
Opening balance of transferor company	–	–	3,270
Transfer to debenture redemption reserve	(1,795)	(1,473)	–
Transfer from statutory reserve	12,124	–	–
Adjusted impact of merger	–	–	(31)
Balance as at end of the year	14,749	4,420	5,893
Debenture redemption reserve			
Balance at the beginning of the year	1,558	85	–
Opening balance of transferor company	–	–	85
Transfer from general reserve	1,795	1,473	–
Balance as at end of the year	3,353	1,558	85
Retained earnings			
Balance at the beginning of the year	1,67,001	1,30,336	4,334
Opening balance of transferor company	–	–	1,02,783
Transfer from Statement of Profit and Loss	31,602	50,353	29,263
Interim dividend	(5,824)	(5,789)	(3,588)
Dividend distribution tax	–	(82)	(730)
Final dividend	(6,550)	(4,339)	–
Dividend distribution tax	(1,048)	(884)	–
Transfer to statutory reserves	–	(2,594)	(1,726)
Balance as at end of the year	1,85,181	1,67,001	1,30,336
	2,57,899	2,36,693	1,93,646

Capital redemption reserve

The capital redemption reserve is created to be utilised towards redemption of preference shares. The reserve will be utilised in accordance with provision of the Act.

Capital reserve

It is made out of capital profits earned. The same is not available for profit distribution.

Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

Share option outstanding account

Share based payment expense pertaining to outstanding portion of the option not yet exercised.

NOTES TO FINANCIAL STATEMENT *(Contd.)*

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss. General reserve is used to transfer to debenture redemption reserve.

Debenture redemption reserve

Debenture Redemption Reserve is created as per Rule 18(7)(b)(iii) of Companies (Share Capital and Debentures) Rules, 2014, the same should be created before redemption of Non convertible debenture starts. Debenture Redemption Reserve is being created by transferring from general reserve.

Retained earnings

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

Other comprehensive income

Other comprehensive income consist of remeasurement gains / losses on defined benefit plans, gain / (loss) of equity instruments carried through FVTOCI.

NOTE 25 : DISCONTINUING OPERATIONS

(A) Assets held for sale under discontinuing operations

Particulars	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Assets		
Non - financial assets		
Property, Plant & Equipment	5	3
	<u>5</u>	<u>3</u>
Financial assets		
Cash and cash equivalents		220
Loans	21,894	25,537
	<u>21,894</u>	<u>25,757</u>
	<u>21,899</u>	<u>25,760</u>

(B) Liabilities for sale under discontinuing operations

Particulars	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Financial liabilities		
Debt securities	–	19,759
Borrowings (Other than debt securities)	16,875	8,651
Other financial liabilities	288	0
Non-financial liabilities		0
Provisions	224	–
	<u>17,387</u>	<u>28,411</u>
Net Assets Held for Sale	<u>4,512</u>	<u>(2,651)</u>

NOTES TO FINANCIAL STATEMENT (Contd..)

Statement of Profit and Loss

Particulars	For the year ended 31-Mar-19 ₹ in Lakhs	For the year ended 31-Mar-18 ₹ in Lakhs
Revenue from operations		
(i) Interest income	1,067	3,462
Total revenue	1,067	3,462
Expenses		
(a) Finance cost	560	2,618
(b) Employee benefits expense	418	1,008
(c) Depreciation and amortization expenses	1	2
(d) Other expenses	274	726
Total expenses	1,253	4,354
Loss from discontinuing operating before tax	(186)	(892)
Tax on discontinuing operating	54	312
Loss from discontinuing operating after tax	(132)	(580)

NOTE 26 : INTEREST INCOME

	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
On financial assets measured at amortised cost		
Interest on loans	430	304
Interest on deposits with banks	581	189
Other interest income on :		
Margin funding	6,844	4,409
Delayed payment by customers	9,399	11,257
Total	17,254	16,159

NOTE 27 : DIVIDEND INCOME

	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
Dividend income		
From investments	28	991
From subsidiary companies	8,065	4,578
Total	8,093	5,569

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 28 : RENTAL INCOME

	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
Rental income from operating leases	2,482	2,351
Total	2,482	2,351

NOTE 29 : FEES AND COMMISSION INCOME

	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
Brokerage and fees income		
Brokerage income	66,780	68,952
Research and advisory fees	1,899	1,177
Depository income	2,356	2,236
	71,035	72,365
Other commission income		
Portfolio management fees and other commission	10,835	11,814
Total	81,870	84,179

NOTE 30 : NET GAIN ON FAIR VALUE CHANGES

	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
Net gain / (loss) on financial instruments at fair value through profit or loss		
Realised gain	14,683	15,677
Unrealised gain / (loss)	(6,467)	8,624
Total	8,216	24,301

NOTE 31 : OTHER OPERATING INCOME

	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
Income / (loss) from arbitrage transaction / stock in trade	-	(1)
Partnership gain from private equity fund		
From Fund	959	1,111
Other operating revenue		
Commission	5	0
Others	2,847	1,861
Total	3,812	2,971

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 32 : OTHER INCOME

	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
Interest on staff loans	10	8
Referral fee	—	334
Profit / (loss) on sale of fixed assets	—	10
Business support and other miscellaneous income	3,132	15
Total	3,142	367

NOTE 33 : FINANCE COST

	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
On instruments measured at amortised cost		
Interest on borrowings	2,036	2,221
Interest on debt securities	8,215	6,942
Other borrowing cost	177	125
Total	10,428	9,288

NOTE 34 : FEES AND COMMISSION EXPENSE

	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
Brokerage sharing with intermediaries	31,025	32,472
Depository charges	358	420
Advisory and other fees	449	472
Total	31,832	33,364

NOTE 35 : IMPAIRMENT ON FINANCIAL INSTRUMENTS

	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
At amortised cost		
Investments	5	686
Trade Receivables	289	572
Bad debts written off	387	186
Total	681	1,444

NOTES TO FINANCIAL STATEMENT *(Contd.)*

NOTE 36 : EMPLOYEE BENEFITS EXPENSE

	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
Salary, bonus and allowances	24,978	24,369
Share Based Payments to employees	1,344	896
Gratuity and other long term benefits	389	778
Contribution to provident and other funds (refer note 53)	474	416
Staff welfare expenses	721	675
Total	27,906	27,134

NOTE 37 : DEPRECIATION AND AMORTISATION EXPENSE

	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
Depreciation on Property, plant & equipment	1,302	2,476
Amortisation on other intangible assets	444	298
Depreciation on investment property	55	167
Total	1,801	2,942

NOTE 38 : OTHER EXPENSES

	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
Rent (Refer note 44)	1,024	884
Rates and taxes	239	253
Insurance	212	29
Legal and professional fees	1,164	1,049
Remuneration to auditors (also refer note 41)	22	20
Advertisement expenses	553	701
Marketing and brand promotion	2,097	1,630
Printing and Stationary	384	322
Communication and data charges	1,459	1,312
Travelling, lodging and boarding expenses	1,602	1,426
Repairs - building	121	177
Repairs and maintenance - others	220	193
Computer maintenance and software charges	892	674
Power and fuel	545	482
Foreign exchange (Gain) / Loss	27	8
Service charges	437	423
Expenditure on Corporate Social Responsibility (Refer note 66)	517	370
Donations	38	87
Miscellaneous expenses	1,319	1,104
Total	12,871	11,143

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 39: CONTINGENT LIABILITY AND COMMITMENT (TO THE EXTENT NOT PROVIDED FOR)

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs
Contingent liabilities:		
(i) Guarantees / securities given (Refer note a)	84,892	1,575
(ii) Demand in respect of income tax matters for which appeal is pending (Refer note b)	4,673	3,388
(iii) Claim against the company (Refer note c)	1,184	855
Capital commitments:		
(i) Estimated amount of contracts remaining to be executed on capital account (net of advances)	280	726
(ii) Uncalled liability on shares and other investments partly paid:		
1) India Realty Excellence Fund III	199	2,000
2) India Business Excellence Fund III	18,154	12,113
3) India Realty Excellence Fund IV	6,500	-

(a) Guarantees and securities given

- 1) The Company has given Corporate Guarantees of ₹ 77,007 lakhs (Previous year: ₹ Nil) to Banks and NCD holders for its subsidiary Aspire Housing Finance Corporation Limited.
- 2) The Company has provided bank guarantees aggregating to ₹ 7,885 lakhs as on 31 March 2019 for the following purposes to:
 - i) National Stock exchange - ₹ 6,300 lakhs for meeting margin requirements.
 - ii) Unique Identification Authority - ₹ 25 lakhs for security deposit
 - iii) Hindalco Industries Limited - ₹ 1,500 lakhs for margin deposit
 - iv) Municipal Corporation of Greater Mumbai - ₹ 5 lakhs for security deposit
 - v) Bombay High Court - ₹ 54.96 lakhs for security deposit

The Company has pledged fixed deposits with banks aggregating of ₹ 4,735 lakhs for obtaining bank guarantee.

- (b) Demand in respect of income tax matters for which appeal is pending is ₹ 4,673 Lakhs (Previous year ₹ 3,388 lakhs). This is disputed by the Company and hence not provided for in the books of accounts. The Company has paid demand by way of deposit / adjustment of refund of ₹ 339 lakhs (Previous year ₹ 1,018 lakhs) till date. Above liability does not include interest u/s 234B and 234C as the same depends on the outcome of the demand.

The Company is contesting the demands and the management believes that its position will likely be upheld in the appellant process. No tax expenses has been accrued in the financial statement for the tax demand raised. The management believes that ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

(c) Claims against the Company:

Pending against forum	Number of cases as on 31-Mar-19	As at 31-Mar-19	Number of cases as on 31-Mar-18	As at 31-Mar-18
Civil cases	26	1,184	27	792
Consumer court cases	-	-	-	-
Arbitration cases	-	-	2	63
Total	26	1,184	29	855

Note :

The proceedings held at exchange level are considered as "Arbitration"

The proceedings / Appeals held at Supreme court / High court / District court are considered as "Civil cases".

The proceedings held at consumer court are considered as "Consumer cases".

- (d) The Hon'ble Supreme Court has, in a recent decision dated 28 February 2019, ruled that special allowance would form part of basic wages for computing the Provident Fund (PF) contribution. While the Company is evaluating the implications of the order, the company taken impact of its PF contribution prospectively and would record any further effect in its financial statements, on receiving additional clarity on the subject.

NOTES TO FINANCIAL STATEMENT *(Contd.)*

NOTE 40 : SEGMENT REPORTING

As per IND AS 108 para 4, Segment has been disclosed in Consolidated financial statement, Hence no separate disclosure has been given in standalone financial statements of the Company.

NOTE 41 : REMUNERATION TO AUDITORS (EXCLUSIVE OF TAXES)

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs
As Auditors:		
Statutory audit	24	21
Tax audit	—	—
In other capacity:		
Out of pocket expenses	—	—
Certification	1	1
Total	25	22

NOTE 42 : EARNINGS PER EQUITY SHARE

	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Net profit attributable to equity shareholders [A] (₹ in lakhs)	32,231	39,328
Weighted average number of equity shares issued [B] (face value of ₹ 1 each) (In numbers)	14,54,32,053	14,47,09,536
Basic earnings per share [A/B] (₹)	22.16	27.18
Net Profit attributable to equity shareholders [C] (₹ in lakhs)	32,231	39,328
Less : Impact on net profit due to exercise of diluted potential equity shares [D]	—	—
Net profit attributable to equity shareholders for calculation of diluted EPS [C-D] (₹ in lakhs)	32,231	39,328
Weighted average of equity shares issued (face value of ₹ 1 each) (In numbers) [E]	14,54,32,053	14,47,09,536
Weighted number of additional equity shares outstanding for diluted EPS (In numbers) [F]	40,21,647	23,43,833
Weighted number of equity shares outstanding for diluted EPS (In numbers) [E+F]	14,94,53,700	14,70,53,369
Diluted earnings per share [C-D/E+F] (₹)	21.57	26.74

NOTE 43 : PROVISIONS MADE FOR THE YEAR ENDED 31 MARCH 2019 COMPRISES OF

Particulars	Opening balance as at 1-Apr-18	Provided during the year	Provision reversed / paid during the year	Closing balance as at 31-Mar-19
Ex-gratia	8,441	5,823	8,441	5,823
Provision for gratuity	1,181	229	45	1,365
Heritage benefits	60	56	—	116
Compensated absences	39	72	39	72
Total	9,721	6,180	8,525	7,376

NOTES TO FINANCIAL STATEMENT (Contd..)

Particulars	Opening balance as at 1-Apr-17 of Transferee company	Opening balance of Transferor company as at 1-Apr-17	Provided during the year	Provision reversed/paid during the year	Closing balance as at 31-Mar-18
Ex-gratia	83	4,920	8,457	5,019	8,441
Provision for gratuity	44	833	351	47	1,181
Heritage benefits	2	50	10	2	60
Compensated absences	3	32	38	34	39
Total	132	5,835	8,856	5,102	9,721

NOTE 44 : LEASE

Leases as lessee

The Company has taken various premises under leave and license agreements. For these branches, the rent and escalations depend upon the lease by Group Company. In other instances the Company has generally entered into a lease of 3 - 5 years, with escalation of fifteen percent after every three years. The Company has given refundable interest free security deposits under certain agreements. Lease payments are recognised in the Statement of Profit and Loss under 'Other expenses' in Note no. 37. Rent expenses of ₹ 1,024 lakhs (Previous year – ₹ 884 lakhs) in respect of obligation under operating leases.

Minimum future lease payment under non cancellable operating lease for each of the following year

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs
Not later than 1 year	860	579
Later than 1 year but not later than 5 year	729	430
Later than 5 year	–	–
Total	1,589	1,009

Leases as lessor

The company has given office premises and lease for the period of 1 year to 5 years. Agreement is cancellable, by giving prior notice of 30 days by either of the parties. Lease rentals are charged on the basis of agreed terms.

Lease receipts are recognised in the Statement of Profit and Loss under 'Rental Income' in Note no. 27. Rental Income of ₹ 2,482 lakhs (Previous year - ₹ 2,351 lakhs) in respect of obligation under operating leases.

NOTE 45 : RATINGS ASSIGNED BY CREDIT RATING AGENCIES

- 1) Crisil Limited reaffirmed the Credit Rating of "CRISIL A1+" (pronounced 'CRISIL A One Plus') to the Commercial Paper Programme of ₹ 1,30,000 lakhs (Previous year 25,000 lakhs) of the Company.
- 2) India Ratings and Research affirmed the Credit Rating of "IND A1+" (pronounced 'IND A One Plus') to the Commercial Paper Programme of ₹ 1,30,000 lakhs (Previous year: not applicable) of the Company.
- 3) ICRA has reaffirmed the rating of "ICRA AA" rating with stable outlook (pronounced ICRA double A rating with stable outlook') to the long term debt programme of the Company for ₹ 35,000 lakhs in the current year (previous year ₹ 15,000 lakhs).

These ratings indicate strong degree of safety regarding timely servicing of financial obligations

NOTE 46 : DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

The Company has sent letters to vendors to confirm whether they are covered under Micro, Small and Medium Enterprise Development Act 2006 as well as they have filed required memorandum with prescribed authority. Based on and to the extent of the information

NOTES TO FINANCIAL STATEMENT *(Contd.)*

received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

Particulars	For the year ended 31-Mar-19 ₹ in Lakhs	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
The Principal amount remaining unpaid at the year end	—	—	—
The Interest amount remaining unpaid at the year end	—	—	—
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	—	—	—
The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	—	—	—
The amount of interest accrued and remaining unpaid at the year end	—	—	—
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	—	—	—
The balance of MSMED parties as at the year end	—	—	—

NOTE 47: QUANTITATIVE INFORMATION IN RESPECT OF INCOME/LOSS FROM ARBITRAGE TRANSACTIONS OF THE COMPANY

Particulars	Quantity (Units)	For the year ended 31-Mar-19 ₹ in Lakhs	Quantity (Units)	For the year ended 31-Mar-18 ₹ in Lakhs
Opening Stock	—	—	—	—
Purchase	—	—	6,16,004	2,446
Sales	—	—	6,16,004	2,446
Closing stock	—	—	—	—

NOTE 48 : BUSINESS SUPPORT

The company provides business support to its subsidiaries, fellow subsidiaries for activities like finance, accounting, human resources, information technology, back office operations, corporate planning, administrative services and various other services for which it recovers business support charges.

NOTE 49 : FOREIGN CURRENCY TRANSACTIONS

(i) Expenditure in foreign currency (On accrual basis)

Particulars	For the year ended 31-Mar-19 ₹ in Lakhs	For the year ended 31-Mar-18 ₹ in Lakhs
Travelling lodging and boarding expenses	259	283
Marketing commission	6	5
Membership fees	7	6
Computer maintenance and software charges	247	232
Lodging and boarding expenses	77	20
Training charges	19	—
Advisory and other fees	346	245
Total	961	791

NOTES TO FINANCIAL STATEMENT *(Contd..)*

(ii) Income in foreign currency (On accrual basis)

Particulars	For the year ended 31-Mar-19 ₹ in Lakhs	For the year ended 31-Mar-18 ₹ in Lakhs
Research and advisory fees	1,374	1,168
Total	1,374	1,168

NOTE 50 : AMOUNT OF MARGIN MONEY AND SHARES RECEIVED FROM CLIENTS AND OUTSTANDING ARE AS FOLLOWS OF THE COMPANY

Security Settlement for the	In the form of Securities at market Value*	Bank Guarantees and Fixed Deposits	Received in bank
As at 31 March 2019	1,92,492	2,710	28,979
As at 31 March 2018	2,56,989	3,194	20,465

* Margin money received in the form of securities from clients is held by the company in accordance with regulation. Out of this, securities worth ₹ 1,68,113 lakhs are pledged with exchange as on 31 March 2019.

NOTE 51 : UNHEDGED FOREIGN CURRENCY EXPOSURE

a) Receivables

Particulars	Currency	As at 31-Mar-19	As at 31-Mar-18
Foreign currency exposure outstanding	USD (USA Dollar)	0.78	0.53
	INR (Indian Rupees)	54.28	34.48
	GBP (Pound Staerling)	0.12	–
	INR (Indian Rupees)	11.21	–
	HKD (Hongkong Dollar)	–	6.67
	INR (Indian Rupees)	–	55.17
Foreign currency receivable in next 5 years including interest	USD (USA Dollar)	0.78	0.53
	INR (Indian Rupees)	54.28	34.48
	GBP (Pound Staerling)	0.12	–
	INR (Indian Rupees)	11.21	–
	HKD (Hongkong Dollar)	–	6.67
	INR (Indian Rupees)	–	55.17
Unhedged foreign currency exposure	USD (USA Dollar)	0.78	0.53
	INR (Indian Rupees)	54.28	34.48
	GBP (Pound Staerling)	0.12	–
	INR (Indian Rupees)	11.21	–
	HKD (Hongkong Dollar)	–	6.67
	INR (Indian Rupees)	–	55.17

b) Payables

Particulars	Currency	As at 31-Mar-19	As at 31-Mar-18
Foreign currency exposure outstanding	USD (USA Dollar)	0.75	0.65
	INR (Indian Rupees)	52.59	42.25
	GBP (Great Britain Pounds)	–	0.40
	INR (Indian Rupees)	–	1.60
	SGD (Singapore Dollar)	2.45	5.34
	INR (Indian Rupees)	125.41	254.51

NOTES TO FINANCIAL STATEMENT *(Contd.)*

Particulars	Currency	As at 31-Mar-19	As at 31-Mar-18
Foreign currency receivable in next 5 years including interest	USD (USA Dollar)	0.75	0.65
	INR (Indian Rupees)	52.59	42.25
	GBP (Great Britain Pounds)	–	0.40
	INR (Indian Rupees)	–	1.60
	SGD (Singapore Dollar)	2.45	5.34
	INR (Indian Rupees)	125.41	–
Unhedged foreign currency exposure	USD (USA Dollar)	0.75	0.65
	INR (Indian Rupees)	52.59	42.25
	GBP (Great Britain Pounds)	–	0.40
	INR (Indian Rupees)	–	1.60
	SGD (Singapore Dollar)	2.45	5.34
	INR (Indian Rupees)	125.41	254.51

c) Investments

Particulars	Currency	As at 31-Mar-19	As at 31-Mar-18
Foreign currency exposure outstanding	HKD (Hongkong Dollar)	60.00	60.00
	INR (Indian Rupees)	412.02	412.02
	SGD (Singapore Dollar)	22.50	22.50
	INR (Indian Rupees)	1,040.88	1,040.88
Foreign currency receivable in next 5 years including interest	HKD (Hongkong Dollar)	NA	NA
	INR (Indian Rupees)	NA	NA
	SGD (Singapore Dollar)	NA	NA
	INR (Indian Rupees)	NA	NA
Unhedged foreign currency exposure	HKD (Hongkong Dollar)	60.00	60.00
	INR (Indian Rupees)	412.02	412.02
	SGD (Singapore Dollar)	22.50	22.50
	INR (Indian Rupees)	1,040.88	1,040.88

NOTE 52: PROPOSED DIVIDEND

The final dividend proposed for the year is as follows

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
On Equity Shares of ₹ 1 each		
Amount of dividend proposed (₹ in lakhs)	6,556	6,529
Dividend distribution tax on proposed dividend (₹ in lakhs)	1,348	1,342
Dividend per equity share (₹)	4.50	4.50

NOTE 53 : EMPLOYEE BENEFITS

Disclosure pursuant to Ind AS -19 “Employee benefits” is given as below:

Defined contribution plan:

Contribution to defined contribution plans, recognised as expense for the year is as under :

Particulars	For the year ended 31-Mar-19 ₹ in Lakhs	For the year ended 31-Mar-18 ₹ in Lakhs
Employers’ contribution to provident fund	474	416

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Defined benefit plan:

The Company provides for gratuity benefit which is a defined benefit plan covering all its eligible employees. This plan is unfunded. The gratuity benefits are subject to a maximum limit of upto ₹ 20,00,000.

The following table set out the status of the gratuity plan as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended) under Ind AS 19 "Employee benefits" and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

(₹ in Lakhs)

Particulars	Gratuity (unfunded)		Other long term benefits	
	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18
I) Actuarial assumptions				
Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	"IALM (2006-08) Ultimate"	IALM (2006-08) Ultimate
Discount Rate (per annum)	7.12%	6.85%	7.12%	6.51%
Rate of escalation in salary (per annum)	11.00%	4.00%	–	–
Expected rate of return on plan assets (per annum)	–	–	–	–
Employee Attrition Rate (Past Service)	PS: 0 to 37 : 43.93%	PS: 0 to 37 : 16.78%	PS: 0 to 37 : 43.93%	PS: 0 to 40 : 28%
Expected average remaining service	1.27	4.17	1.23 to 1.27	2.52 to 2.55
I) Changes in present value of obligations (PVO)				
PVO at beginning of period	77	921	–	–
Interest cost	4	59	–	–
Current service cost	3	252	116	59
Past service cost - (non vested benefits)	–	–	–	–
Past service cost - (vested benefits)	–	32	–	–
Transfer In-Liability	1,143	–	–	–
Transfer Out-Liability	(7)	–	–	–
Benefits paid	(45)	(24)	–	–
Contributions by plan participants	–	–	–	–
Business Combinations	–	–	–	–
Curtailments	–	–	–	–
Settlements	–	–	–	–
Actuarial (Gain)/Loss on obligation	191	22	–	–
PVO at end of period	1,366	1,262	116	59
II) Interest expense				
Interest cost	4	2	–	–
III) fair value of plan assets				
Fair Value of Plan Assets at the beginning	–	–	–	–
Interest income	–	–	–	–
IV) Net Liability				
PVO at beginning of period	77	44	–	–
Fair Value of the Assets at beginning report	–	–	–	–
Net Liability	77	44	–	–
V) Net Interest				
Interest Expenses	4	2	–	–
Interest Income	–	–	–	–
Net Interest	4	2	–	–
VI) Actual return on plan assets				
Less Interest income included above	–	–	–	–
Return on plan assets excluding interest income	–	–	–	–

NOTES TO FINANCIAL STATEMENT *(Contd..)*

(₹ in Lakhs)

Particulars	Gratuity (unfunded)		Other long term benefits	
	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18
VII) Actuarial (Gain)/loss on obligation				
Due to Demographic Assumption	(304)	–	–	–
Due to Financial Assumption	92	7	–	–
Due to Experience	403	15	–	–
Total Actuarial (Gain)/Loss	191	22	–	–
VIII) Fair Value of Plan Assets				
Opening Fair Value of Plan Asset	–	–	–	–
Adjustment to Opening Fair Value of Plan Asset	–	–	–	–
Return on Plan Assets excl. interest income	–	–	–	–
Interest Income	–	–	–	–
Contributions by Employer	45	24	–	–
Contributions by Employee	–	–	–	–
Benefits Paid	(45)	(24)	–	–
Fair Value of Plan Assets at end	–	–	–	–
IX) Past Service Cost Recognised				
Past Service Cost- (non vested benefits)	–	–	–	–
Past Service Cost -(vested benefits)	–	32	–	–
Average remaining future service till vesting of the benefit	–	–	–	–
Recognised Past service Cost- non vested benefits	–	–	–	–
Recognised Past service Cost- vested benefits	–	32	–	–
Unrecognised Past Service Cost- non vested benefits	–	–	–	–
X) Amounts to be recognized in the balance sheet and statement of profit & loss account				
PVO at end of period	1,366	1,262	–	–
Fair Value of Plan Assets at end of period	–	–	–	–
Funded Status	(1,366)	(154)	–	–
Net Asset/(Liability) recognized in the balance sheet	(1,366)	(1,262)	–	–
XI) Expense recognised in the statement of profit and loss				
Current service cost	3	252	116	59
Net Interest	4	59	–	–
Past service cost - (non vested benefits)	–	–	–	–
Past service cost - (vested benefits)	–	216	–	–
Curtailment Effect	–	–	–	–
Settlement Effect	–	–	–	–
Unrecognised past service cost - non vested benefits	–	–	–	–
Actuarial (Gain)/Loss recognized for the period	–	(115)	–	–
Expense recognized in the statement of profit and loss	7	412	116	59
XII) Other Comprehensive Income (OCI)				
Actuarial (Gain)/Loss recognized for the period	191	–	–	–
Asset limit effect	–	–	–	–
Return on Plan Assets excluding net interest	–	–	–	–

NOTES TO FINANCIAL STATEMENT (Contd..)

(₹ in Lakhs)

Particulars	Gratuity (unfunded)		Other long term benefits	
	Year ended 31-Mar-19	Year ended 31-Mar-18	Year ended 31-Mar-19	Year ended 31-Mar-18
Unrecognized Actuarial (Gain)/Loss from previous period	-	-	-	-
Total Actuarial (Gain)/Loss recognized in (OCI)	191	-	-	-
XIII) Movement in liability recognized in balance sheet				
Opening net liability	77	921	-	-
Adjustment to opening balance	-	-	-	-
Transfer In-Liability	1,143	-	-	-
Transfer Out-Liability	(7)	-	-	-
Expenses as above	7	412	116	59
Contribution paid	(45)	(71)	-	-
Other Comprehensive Income(OCI)	191	-	-	-
Closing net liability	1,366	1,262	116	59
XIV) Schedule III of The Companies Act 2013				
Current liability	552	507	81	23
Non - current liability	815	754	35	36
XV) Projected Service Cost 31 Mar 2020	366	-	-	-
XVI) Asset Information				
Cash and Cash Equivalents	-	-	-	-
Gratuity Fund ()	-	-	-	-
Debt Security - Government Bond	-	-	-	-
Equity Securities - Corporate debt securities	-	-	-	-
Other Insurance contracts	-	-	-	-
Property	-	-	-	-
Total Itemized Assets	-	-	-	-
XVIII) Sensitivity Analysis	DR: Discount Rate		ER : Salary escalation rate:	
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	1,342	1,392	1,382	1,352

	Expected	Expected	Expected	Expected	Expected	Expected
Year	Outgo First	Outgo Second	Outgo Third	Outgo Fourth	Outgo Fifth	Outgo Six to ten years
XIX) Expected Payout						
Payouts	552	367	237	159	104	147
XX) Asset Liability Comparisons						
Year	31/03/2015	31/03/2016	31/03/2017	31/03/2018	31/03/2019	
PO at End of period	31	40	44	77	1,367	-
Plan Assets	-	-	-	-	-	-
Surplus / (Deficit)	(31)	(40)	(44)	(77)	(1,367)	-
Experience adjustments on plan assets	-	-	-	-	-	-

NOTE 54 : RELATED PARTY DISCLOSURE

As per Ind AS 24 - Related Party Disclosures, specified under section 133 of the Companies Act, 2013, read with The Companies (Indian Accounting Standards) Rules, 2015, the name of related party where control exists / able to exercise significant influence along with the transactions and year end balances with them as identified and certified by the management are as follows:

I. List of related parties and their relationship

a) Holding Company

- Passionate Investment Management Private Limited

b) Subsidiary / Step-down subsidiaries companies

- Motilal Oswal Investment Advisors Limited (formerly known as Motilal Oswal Investment Advisors Private Limited)
- MOPE Investment Advisors Private Limited
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Finvest Limited (formerly known as Motilal Oswal Capital Markets Limited)
- Motilal Oswal Wealth Management Limited
- Motilal Oswal Fincap Private Limited (formerly known as Motilal Oswal Insurance Brokers Private Limited)
- Motilal Oswal Asset Management Company Limited
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Capital Market (Hong Kong) Private Limited
- Motilal Oswal Capital Markets (Singapore) Pte. Limited
- Motilal Oswal Securities International Private Limited
- Motilal Oswal Real Estate Investment Advisors Private Limited
- Motilal Oswal Real Estate Investment Advisors II Private Limited
- Aspire Home Finance Corporation Limited
- India Business Excellence Management Company
- Motilal Oswal Capital Limited

c) Associate enterprises

- India Realty Excellence Fund II LLP

d) Key management personnel

- | | |
|-------------------------|--------------------------------|
| – Mr. Motilal Oswal | Chairman and Managing Director |
| – Mr. Raamdeo Agarawal | Joint Managing Director |
| – Mr. Navin Agarwal | Managing Director |
| – Mr. Ajay Menon | Whole time Director |
| – Mr. Praveen Tripathi | Independent Director |
| – Mr. Vivek Paranjpe | Independent Director |
| – Mrs. Rekha Utsav Shah | Independent Director |
| – Mrs. Sharda Agarwal | Independent Director |

e) Relatives of Key management personnel

- | | |
|--------------------------------|---|
| – Vimla Oswal | - Spouse of Chairman and Managing Director |
| – Vimaladevi Salecha | - Sister of Chairman and Managing Director |
| – Rajendra Gopilal Oswal | - Brother of Chairman and Managing Director |
| – Suneeta Agarawal | - Spouse of Joint Managing Director |
| – Dr. Karoon Ramgopal Agarawal | - Brother of Joint Managing Director |

NOTES TO FINANCIAL STATEMENT *(Contd..)*

- Vinay R. Agrawal - Brother of Joint Managing Director
- Sukhdeo Ramgopal Agarawal - Brother of Joint Managing Director
- Govinddeo R. Agarawal - Brother of Joint Managing Director
- Satish Agrawal - Brother of Joint Managing Director
- Suman Agrawal - Sister of Joint Managing Director
- Anita Anandmurthy Agrawal - Sister of Joint Managing Director

f) Enterprises in which Key Managerial Personnel have control

- OSAG Enterprises LLP

g) Enterprises in which Key Managerial Personnel and their relatives exercise significant influence

- Raamdeo Agarawal (HUF)
- Navshital Consultants LLP
- Textile Exports Private Limited
- Motilal Oswal Foundation (Trust)
- Motilal Oswal HUF
- Like Minded Wealth Creation Trust

II. Transactions with related parties

₹ in Lakhs

Nature of transaction	Name of the related party	Subsidiaries / step-down / fellow subsidiaries*		Holding Company		Key managerial personnel/relative of key managerial personnel /associates		Total	
		For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Interest (Income)/ Expense	Motilal Oswal Wealth Management Limited	(9)	(35)	-	-	-	-	(9)	(35)
	Aspire Home Finance Corporation Limited	(57)	-	-	-	-	-	(57)	-
	Motilal Oswal Wealth Management Limited	19	4	-	-	-	-	19	4
	Motilal Oswal Commodities Broker Private Limited	(2)	(198)	-	-	-	-	(2)	(198)
	Motilal Oswal Asset Management Company Limited	(7)	(12)	-	-	-	-	(7)	(12)
	Motilal Oswal Fincap Private Limited	(2)	(8)	-	-	-	-	(2)	(8)
	Motilal Oswal Finvest Limited	(452)	-	-	-	-	-	(452)	-
	Motilal Oswal Finvest Limited	56	-	-	-	-	-	56	-
	Motilal Oswal Investment Advisors Limited	(37)	(12)	-	-	-	-	(37)	(12)
	Motilal Oswal Real Estate Investment Advisors Private Limited	-	(9)	-	-	-	-	-	(9)

NOTES TO FINANCIAL STATEMENT *(Contd.)*

₹ in Lakhs

Nature of transaction	Name of the related party	Subsidiaries / step-down / fellow subsidiaries*		Holding Company		Key managerial personnel/relative of key managerial personnel /associates		Total	
		For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
	Passionate Investment Management Private Limited	-	-	(2)	(7)	-	-	(2)	(7)
	Motilal Oswal Real Estate Investment Advisors II Private Limited	(12)	(60)	-	-	-	-	(12)	(60)
	MOPE Investment Advisors Private Limited	(29)	(68)	-	-	-	-	(29)	(68)
	Motilal Oswal Investment Advisors Limited	0	92	-	-	-	-	0	92
	India Realty Excellence Fund II LLP	-	-	-	-	-	(21)	-	(21)
	Like Minded	-	-	-	-	(4)	-	(4)	-
Total interest received		(606)	(402)	(2)	(7)	(4)	(21)	(613)	(431)
Total interest paid		75	96	-	-	-	-	75	96
Managerial remuneration paid	Motilal Oswal	-	-	-	-	241	240	241	240
	Raamdeo Agarawal	-	-	-	-	277	279	277	279
Total managerial remuneration paid		-	-	-	-	518	519	518	519
Referral fees/ advisory fees (received)	Motilal Oswal Real Estate Investment Advisors II Private Limited	(79)	(52)	-	-	-	-	(79)	(52)
	MORE II Referral fees IREF 4 - Income	(17)	0	-	-	-	-	(17)	-
	Motilal Oswal Capital Markets (Hongkong) Pte Limited	(33)	(55)	-	-	-	-	(33)	(55)
Referral fees / advisory fees paid	Motilal Oswal Investment Advisors Limited	-	-	-	-	-	-	-	-
	Motilal Oswal Real Estate Investment Advisors II Private Limited	-	77	-	-	-	-	-	77

NOTES TO FINANCIAL STATEMENT *(Contd..)*

₹ in Lakhs

Nature of transaction	Name of the related party	Subsidiaries / step-down / fellow subsidiaries*		Holding Company		Key managerial personnel/relative of key managerial personnel /associates		Total	
		For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
	Motilal Oswal Securities International Private Limited	144	221	-	-	-	-	144	221
	Motilal Oswal Capital Market (Singapore) Pte Limited	270	245	-	-	-	-	270	245
Total referral fees/advisory fees (received)		(129)	(107)	-	-	-	-	(129)	(107)
Total referral fees/advisory fees paid		413	543	-	-	-	-	413	543
Placement fees	MOPE Investment Advisors Private Limited	(882)	(585)	-	-	-	-	(882)	(585)
	Motilal Oswal Real Estate Investment Advisors II Private Limited	(350)	(106)	-	-	-	-	(350)	(106)
Total placement fees (received)		(1,232)	(691)	-	-	-	-	(1,232)	(691)
Business support service (Received)/Paid	Passionate Investment Management Private Limited	-	-	(1)	(1)	-	-	(1)	(1)
	OSAG Enterprises LLP	-	-	-	-	(1)	(1)	(1)	(1)
	Motilal Oswal Securities International Private Limited	(2)	(2)	-	-	-	-	(2)	(2)
	Motilal Oswal Wealth Management Limited	(694)	-	-	-	-	-	(694)	-
	Aspire Home Finance Corporation Limited	(225)	-	-	-	-	-	(225)	-
	Motilal Oswal Asset Management Company Limited	(1,157)	-	-	-	-	-	(1,157)	-
	Motilal Oswal Investment Advisors Limited	(720)	-	-	-	-	-	(720)	-
	MOPE Investment Advisors Private Limited	(180)	-	-	-	-	-	(180)	-

NOTES TO FINANCIAL STATEMENT *(Contd.)*

₹ in Lakhs

Nature of transaction	Name of the related party	Subsidiaries / step-down / fellow subsidiaries*		Holding Company		Key managerial personnel/relative of key managerial personnel /associates		Total	
		For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
	Motilal Oswal Real Estate Investment Advisors II Private Limited	(120)	-	-	-	-	-	(120)	-
Total Business support service (Received)/ Paid		(3,098)	(2)	(1)	(1)	(1)	(1)	(3,100)	(4)
Training fees	Motilal Oswal Capital Market Limited	49	5	-	-	-	-	49	5
Total Training fees (paid)		49	5	-	-	-	-	49	5
Set up fees (IBEF III)	MOPE Investment Advisors Private Limited	(197)	(252)	-	-	-	-	(197)	(252)
	Motilal Oswal Real Estate Investment Advisors II Private Limited	(137)	-	-	-	-	-	(137)	-
Total Set up fees (IBEF III)		(334)	(252)	-	-	-	-	(334)	(252)
Brokerage on mutual fund	Motilal Oswal Asset Management Company Limited	(514)	(877)	-	-	-	-	(514)	(877)
Total Brokerage on mutual fund		(514)	(877)	-	-	-	-	(514)	(877)
Brokerage sharing	Motilal Oswal Wealth Management Limited	689	738	-	-	-	-	689	738
Total Brokerage sharing		689	738	-	-	-	-	689	738
Marketing commission	Motilal Oswal Wealth Management Limited	(4)	(35)	-	-	-	-	(4)	(35)
Total Marketing commission		(4)	(35)	-	-	-	-	(4)	(35)
Portfolio management service distribution fees	Motilal Oswal Asset Management Company Limited	(4,993)	(5,895)	-	-	-	-	(4,993)	(5,895)
Total Portfolio management service distribution fees		(4,993)	(5,895)	-	-	-	-	(4,993)	(5,895)

NOTES TO FINANCIAL STATEMENT *(Contd..)*

₹ in Lakhs

Nature of transaction	Name of the related party	Subsidiaries / step-down / fellow subsidiaries*		Holding Company		Key managerial personnel/relative of key managerial personnel /associates		Total	
		For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Alternate Investment fund income (set up fees)	Motilal Oswal Asset Management Company Limited	(319)	(477)	-	-	-	-	(319)	(477)
Total Alternate Investment fund income (set up fees)		(319)	(477)	-	-	-	-	(319)	(477)
Alternate Investment fund income (distribution fees)	Motilal Oswal Asset Management Company Limited	-	(927)	-	-	-	-	-	(927)
Total Alternate Investment fund income (distribution fees)		-	(927)	-	-	-	-	-	(927)
Rent (received) /paid	Motilal Oswal Real Estate Investment Advisors Private Limited	(0)	(0)	-	-	-	-	(0)	(0)
	Motilal Oswal Investment Advisors Limited	(210)	(111)	-	-	-	-	(210)	(111)
	MOPE Investment Advisors Private Limited	(257)	(279)	-	-	-	-	(257)	(279)
	Motilal Oswal Asset Management Company Limited	(585)	(726)	-	-	-	-	(585)	(726)
	Motilal Oswal Fincap Private Limited	(0)	(9)	-	-	-	-	(0)	(9)
	Motilal Oswal Wealth Management Limited	110	110	-	-	-	-	110	110
	Aspire Home Finance Corporation Limited	(471)	(695)	-	-	-	-	(471)	(695)
	Motilal Oswal Wealth Management Limited	(575)	(147)	-	-	-	-	(575)	(147)
	Passionate Investment Management Private Limited	-	-	(1)	(1)	-	-	(1)	(1)

NOTES TO FINANCIAL STATEMENT *(Contd.)*

₹ in Lakhs

Nature of transaction	Name of the related party	Subsidiaries / step-down / fellow subsidiaries*		Holding Company		Key managerial personnel/relative of key managerial personnel /associates		Total	
		For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
	Motilal Oswal Commodities Broker Private Limited	-	(3)	-	-	-	-	-	(3)
	Textile Exports Private limited	-	-	-	-	16	16	16	16
	Motilal Oswal Securities International Private Limited	(7)	(7)	-	-	-	-	(7)	(7)
	Motilal Oswal Capital Limited	(0)	-	-	-	-	-	(0)	-
	Motilal Oswal Finvest Limited	(14)	-	-	-	-	-	(14)	-
Total rent (received)		(2,119)	(1,977)	(1)	(1)	-	-	(2,106)	(1,978)
Total rent paid		110	110	-	-	16	16	126	126
Brokerage	Motilal Oswal Investment Advisors Limited	(85)	(346)	-	-	-	-	(85)	(346)
	Motilal Oswal	-	-	-	-	4	(1)	4	(1)
	Raamdeo Agarawal	-	-	-	-	3	(1)	3	(1)
Total Brokerage		(85)	(346)	-	-	7	(2)	(78)	(348)
Reimbursement of expenses (received)/paid	Motilal Oswal Commodities Broker Private Limited	-	(10)	-	-	-	-	-	(10)
	Motilal Oswal Commodities Broker Private Limited	-	1	-	-	-	-	-	1
	Motilal Oswal Wealth Management Limited	75	(68)	-	-	-	-	75	(68)
	Motilal Oswal Wealth Management Limited	-	30	-	-	-	-	-	30
	Motilal Oswal Investment Advisors Limited	27	(180)	-	-	-	-	27	(180)
	MOPE Investment Advisors Private Limited	34	(56)	-	-	-	-	34	(56)
	Motilal Oswal Capital Markets (Singapore) Pte. Limited	-	(34)	-	-	-	-	-	(34)
	Motilal Oswal Asset Management Company Limited	76	(624)	-	-	-	-	76	(624)

NOTES TO FINANCIAL STATEMENT *(Contd..)*

₹ in Lakhs

Nature of transaction	Name of the related party	Subsidiaries / step-down / fellow subsidiaries*		Holding Company		Key managerial personnel/relative of key managerial personnel /associates		Total	
		For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
	Aspire Home Finance Corporation Limited	77	1	-	-	-	-	77	1
	Aspire Home Finance Corporation Limited	-	(153)	-	-	-	-	-	(153)
	Motilal Oswal Securities International Private Limited	-	-	-	-	-	-	-	-
	Motilal Oswal Fincap Private Limited	-	2	-	-	-	-	-	2
	Motilal Oswal Finvest Limited	1	-	-	-	-	-	1	-
	Motilal Oswal Asset Management Company Limited	-	143	-	-	-	-	-	143
Total reimbursement of expenses (received)		-	(1,125)	-	-	-	-	-	(1,125)
Total reimbursement of expenses paid		291	-	-	-	-	-	291	177
Partnership gain accrued	India Realty Excellence Fund II LLP	-	-	-	-	959	1,111	959	1,111
Total partnership gain accrued		-	-	-	-	959	1,111	959	1,111
Gain on sale of investment	India Realty Excellence Fund II LLP	-	-	-	-	359	233	359	233
Total Gain on sale of investment		-	-	-	-	359	233	359	233
Donation	Motilal Oswal Foundation (Trust)	-	-	-	-	409	426	409	426
Total donation paid		-	-	-	-	409	426	409	426
Commission for Pledge/Bank Gurantee	Motilal Oswal Asset Management Company Limited	51	-	-	-	-	-	51	-
	Aspire Home Finance Corporation Limited	(46)	-	-	-	-	-	(46)	-
Total Commission for Pledge		5	-	-	-	-	-	5	-

NOTES TO FINANCIAL STATEMENT *(Contd.)*

₹ in Lakhs

Nature of transaction	Name of the related party	Subsidiaries / step-down / fellow subsidiaries*		Holding Company		Key managerial personnel/relative of key managerial personnel /associates		Total	
		For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Dividend (received)/paid	Motilal Oswal	-	-	-	-	979	834	979	834
	Raamdeo Agarawal	-	-	-	-	946	807	946	807
	Motilal Oswal-HUF	-	-	-	-	0	0	0	0
	Raamdeo Agarawal (HUF)	-	-	-	-	55	46	55	46
	Suneeta Agarawal	-	-	-	-	25	21	25	21
	Vimla Oswal	-	-	-	-	11	9	11	9
	Rajendra Gopilal Oswal	-	-	-	-	5	4	5	4
	Dr. Karoon Ramgopal Agarawal	-	-	-	-	9	7	9	7
	Vinay R. Agrawal	-	-	-	-	9	7	9	7
	Sukhdeo Ramgopal Agarawal	-	-	-	-	7	6	7	6
	Govinddeo R. Agarawal	-	-	-	-	5	4	5	4
	Suman Agrawal	-	-	-	-	9	7	9	7
	Satish Agrawal	-	-	-	-	7	6	7	6
	Anita Anandmurthy Agrawal	-	-	-	-	7	6	7	6
	Vimladevi Salecha	-	-	-	-	0	1	0	1
	VISU Associates	-	-	-	-	-	-	-	-
	Osag Enterprises LLP	-	-	-	-	0	0	0	0
	Passionate Investment Management Private Limited	-	-	6,629	5,403	-	-	6,629	5,403
	MOPE Investment Advisors Private Limited	-	(4,578)	-	-	-	-	-	(4,578)
	Motilal Oswal Asset Management Company Limited	(6,565)	-	-	-	-	-	(6,565)	-
Motilal Oswal Commodities Broker Private Limited	(1,500)	-	-	-	-	-	(1,500)	-	
Total dividend (received)		(8,065)	(4,578)	-	-	-	-	(8,065)	(4,578)
Total dividend paid		-	-	6,629	5,403	2,074	1,765	8,703	7,168

** Managerial remuneration does not include provision for gratuity and Insurance premiums for medical and life.

All Loans referred above are repayable on demand

Note : Income/Liability figures are shown in brackets.

NOTES TO FINANCIAL STATEMENT (Contd..)

II. Transactions with related parties: 31 March 2019

₹ in Lakhs

Nature of transaction	Name of the related party	Subsidiaries / step-down / fellow subsidiaries*		Holding Company		Key managerial personnel/relative of key managerial personnel /associates		Total	
		For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Subscription/ purchase of equity shares	Aspire Home Finance Corporation Limited	56,633	6,500	-	-	-	-	56,633	6,500
	Aspire Home Finance Corporation Limited	56,633	6,500	-	-	-	-	56,633	6,500
	Motilal Oswal Finvest Private Limited	30,035	-	-	-	-	-	30,035	-
	Motilal Oswal Capital Markets (Singapore) Pte Ltd	-	-	-	-	-	-	-	-
Total		86,668	6,500	-	-	-	-	86,668	6,500
Loans given / (received)	Motilal Oswal Real Estate Investment Advisors II Private Limited	911	1,275	-	-	-	-	911	1,275
	Motilal Oswal Commodities Broker Private Limited	8,801	81,551	-	-	-	-	8,801	81,551
	Motilal Oswal Asset Management Company Limited	7,120	13,975	-	-	-	-	7,120	13,975
	Motilal Oswal Fincap Private Limited	238	90	-	-	-	-	238	90
	Motilal Oswal Finvest Private Limited	1,63,947	-	-	-	-	-	1,63,947	-
	Motilal Oswal Investment Advisors Limited	4,983	14,115	-	-	-	-	4,983	14,115
	MOPE Investment Advisors Private Limited	3,850	5,724	-	-	-	-	3,850	5,724
	Passionate Investment Management Private Limited	-	-	298	540	-	-	298	540
	Motilal Oswal Real Estate Investment Advisors Private Limited	-	19	-	-	-	-	-	19
	Motilal Oswal Wealth Management Limited	3,670	6,264	-	-	-	-	3,670	6,264
	Motilal Oswal Wealth Management Limited	-	(1,650)	-	-	-	-	-	(1,650)
	India Realty Excellence Fund II LLP	-	-	-	-	-	21	-	21
	Total Loans given / (received)		1,93,520	1,21,363	298	540	-	21	1,93,818

NOTES TO FINANCIAL STATEMENT *(Contd.)*

₹ in Lakhs

Nature of transaction	Name of the related party	Subsidiaries / step-down / fellow subsidiaries*		Holding Company		Key managerial personnel/relative of key managerial personnel /associates		Total	
		For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Loans repayment (received) / given	Motilal Oswal Real Estate Investment Advisors II Private Limited	(861)	(1,859)	-	-	-	-	(861)	(1,859)
	Motilal Oswal Commodities Broker Private Limited	(8,801)	(79,979)	-	-	-	-	(8,801)	(79,979)
	Motilal Oswal Asset Management Company Limited	(7,120)	(13,975)	-	-	-	-	(7,120)	(13,975)
	Motilal Oswal Fincap Private Limited	(238)	-	-	-	-	-	(238)	-
	Motilal Oswal Real Estate Investment Advisors Private Limited	-	(82)	-	-	-	-	-	(82)
	Motilal Oswal Finvest Limited	(1,62,666)	-	-	-	-	-	(1,62,666)	-
	MOPE Investment Advisors Private Limited	(2,625)	(5,155)	-	-	-	-	(2,625)	(5,155)
	Motilal Oswal Investment Advisors Limited	(3,213)	(13,880)	-	-	-	-	(3,213)	(13,880)
	Passionate Investment Management Private Limited	-	-	(298)	(540)	-	-	(298)	(540)
	Motilal Oswal Wealth Management Limited	(3,370)	1,650	-	-	-	-	(3,370)	1,650
	Motilal Oswal Wealth Management Limited	-	(6,404)	-	-	-	-	-	(6,404)
	India Realty Excellence Fund II LLP	-	-	-	-	-	(3,210)	-	(3,210)
	Total loans repayment (received) / given		(1,88,894)	(1,19,684)	(298)	(540)	-	(3,210)	(1,89,192)
Rent deposits (received) / repaid	Motilal Oswal Investment Advisors Limited	-	-	-	-	-	-	-	-
	MOPE Investment Advisors Private Limited	-	-	-	-	-	-	-	-
	Motilal Oswal Asset Management Company Limited	-	(89)	-	-	-	-	-	(89)
	Motilal Oswal Finvest Private Limited	-	9	-	-	-	-	-	9
	Passionate Investment Management Private Limited	-	-	-	-	-	-	-	-
	Motilal Oswal Wealth Management Limited	-	-	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT *(Contd..)*

₹ in Lakhs

Nature of transaction	Name of the related party	Subsidiaries / step-down / fellow subsidiaries*		Holding Company		Key managerial personnel/relative of key managerial personnel /associates		Total	
		For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
	Motilal Oswal Wealth Management Limited	-	-	-	-	-	-	-	-
Total rent deposits (received)		-	(89)	-	-	-	-	-	(89)
Total rent deposits paid		-	9	-	-	-	-	-	9
Outstanding balances:									
Corporate guarantees	Motilal Oswal Commodities Broker Private Limited	-	500	-	-	-	-	-	500
	Aspire Home finance Corporation limited	-	-	-	-	-	-	-	-
Total corporate guarantees		-	500	-	-	-	-	-	500
Loans and advances (payable)/receivable (including interest)	Motilal Oswal Commodities Broker Private Limited	(0)	1,568	-	-	-	-	(0)	1,568
	MOPE Investment Advisors Private Limited	1,225	907	-	-	-	-	1,225	907
	Motilal Oswal Investment Advisors Limited	1,771	313	-	-	-	-	1,771	313
	Motilal Oswal Asset Management Company Limited	(0)	6	-	-	-	-	(0)	6
	Motilal Oswal Real Estate Investment Advisors Private Limited	(0)	(0)	-	-	-	-	(0)	(0)
	Motilal Oswal Finvest Private Limited	1,260	-	-	-	-	-	1,260	-
	Motilal Oswal Fincap Private Limited	-	114	-	-	-	-	-	114
	Motilal Oswal Wealth Management Limited	300	337	-	-	-	-	300	337
	Motilal Oswal Real Estate Investment Advisors II Private Limited	50	396	-	-	-	-	50	396
	Passionate Investment Management Private Limited	-	-	-	1	-	-	-	1
	India Realty Excellence Fund II LLP	-	-	-	-	-	-	-	-
Total loan and advances (payable)		(0)	(0)	-	-	-	-	(0)	(0)
Total loan and advances receivable		4,606	3,640	-	1	-	-	4,606	3,641

NOTES TO FINANCIAL STATEMENT *(Contd.)*

₹ in Lakhs

Nature of transaction	Name of the related party	Subsidiaries / step-down / fellow subsidiaries*		Holding Company		Key managerial personnel/relative of key managerial personnel /associates		Total	
		For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Other receivables / (payable)	Motilal Oswal Investment Advisors Limited	12	135	-	-	-	-	12	135
	MOPE Investment Advisors Private Limited	(4)	20	-	-	-	-	(4)	20
	Motilal Oswal Wealth Management Limited	-	19	-	-	-	-	-	19
	Motilal Oswal Wealth Management Limited	(49)	(77)	-	-	-	-	(49)	(77)
	Motilal Oswal Commodities Broker Private Limited	-	(3)	-	-	-	-	-	(3)
	Motilal Oswal Commodities Broker Private Limited	37	30	-	-	-	-	37	30
	Motilal Oswal Real Estate Investment Advisors II Private Limited	452	0	-	-	-	-	452	0
	Motilal Oswal Asset Management Company Limited	602	1,313	-	-	-	-	602	1,313
	Motilal Oswal Finvest Limited	(23)	(6)	-	-	-	-	(23)	(6)
	Motilal Oswal Capital Markets (Singapore) Pte. Limited	57	34	-	-	-	-	57	34
	Motilal Oswal Capital Markets (Singapore) Pte. Limited	(122)	(245)	-	-	-	-	(122)	(245)
	Motilal Oswal Capital Markets (Hongkong) Private Limited	(41)	55	-	-	-	-	(41)	55
	Motilal Oswal Fincap Private Limited	-	(3)	-	-	-	-	-	(3)
	Motilal Oswal Fincap Private Limited	-	3	-	-	-	-	-	3
		Motilal Oswal Securities International Private Limited	16	(53)	-	-	-	-	16
Aspire Home Finance Corporation Limited		23	305	-	-	-	-	23	305
Total others receivables		(239)	(387)	-	-	-	-	(239)	(387)
Total others (payables)		1,199	1,914	-	-	-	-	1,199	1,914

NOTES TO FINANCIAL STATEMENT *(Contd..)*

₹ in Lakhs

Nature of transaction	Name of the related party	Subsidiaries / step-down / fellow subsidiaries*		Holding Company		Key managerial personnel/relative of key managerial personnel /associates		Total	
		For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Rent deposits (liabilities) / assets	Motilal Oswal Investment Advisors Limited	-	(56)	-	-	-	-	-	(56)
	Motilal Oswal Fincap Private Limited	-	(6)	-	-	-	-	-	(6)
	MOPE Investment Advisors Private Limited	-	(139)	-	-	-	-	-	(139)
	Motilal Oswal Asset Management Company Limited	-	(400)	-	-	-	-	-	(400)
	Motilal Oswal Finvest Private Limited	-	-	-	-	-	-	-	-
	Motilal Oswal Wealth Management Limited	55	55	-	-	-	-	55	55
	Motilal Oswal Wealth Management Limited	-	(74)	-	-	-	-	-	(74)
	Aspire Home Finance Corporation Limited	-	(347)	-	-	-	-	-	(347)
	Motilal Oswal Commodities Broker Private Limited	-	(2)	-	-	-	-	-	(2)
	Motilal Oswal Securities International Private Limited	-	(4)	-	-	-	-	-	(4)
	Passionate Investment Management Private limited	-	-	-	1	-	-	-	1
Total rent deposits (liabilities)		-	(1,028)	-	-	-	-	-	(1,028)
Total rent deposits assets		55	55	-	1	-	-	55	56
Outstanding balance in respect of investments in related parties									
Investments	Motilal Oswal Commodities Broker Private Limited	90	90	-	-	-	-	90	90
	Motilal Oswal Investment Advisors Limited	4,137	4,137	-	-	-	-	4,137	4,137
	MOPE Investment Advisors Private Limited	5	5	-	-	-	-	5	5
	Motilal Oswal Fincap Private Limited	118	300	-	-	-	-	118	300

NOTES TO FINANCIAL STATEMENT *(Contd.)*

₹ in Lakhs

Nature of transaction	Name of the related party	Subsidiaries / step-down / fellow subsidiaries*		Holding Company		Key managerial personnel/relative of key managerial personnel /associates		Total	
		For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
	Aspire Housing Finance Corporation Limited	56,633	55,644	-	-	-	-	56,633	55,644
	Motilal Oswal Finvest Private Limited	30,035	35	-	-	-	-	30,035	35
	Motilal Oswal Securities International Private Limited	457	457	-	-	-	-	457	457
	Motilal Oswal Wealth Management Limited	1,226	1,226	-	-	-	-	1,226	1,226
	Motilal Oswal Asset Management Company Limited	6,501	6,501	-	-	-	-	6,501	6,501
	Motilal Oswal Trustee Company Limited	10	10	-	-	-	-	10	10
	Motilal Oswal Capital Markets (Honkong) Private Limited	412	412	-	-	-	-	412	412
	Motilal Oswal Capital Markets (Singapore) Pte Limited	1,041	1,041	-	-	-	-	1,041	1,041
	India Realty Excellence Fund II LLP	-	-	-	-	-	4,692	-	4,692

Note: Income/Liability figures are shown in brackets.

NOTE 55 : DISCLOSURE RELATING TO EMPLOYEE STOCK OPTION PURCHASE PLAN

Details of stock options : The Company has four employees stock option schemes

Motilal Oswal Financial Services Limited -Employees Stock Option Scheme -III (ESOS-III)

The Scheme was approved by Board of Directors on 23 January 2006 and by the shareholders in EGM dated 03 February 2006 and EGM dated 28 April 2006 and is for issue of 1,167,275 options representing 1,167,275 Equity shares of ₹ 2 each.

Motilal Oswal Financial Services Limited -Employees Stock Option Scheme -V (ESOS-V)

The Scheme was approved by Board of Directors on 18 October 2007 and by the shareholders on 4 December 2007 by postal ballot and is for issue of 2,500,000 options representing 2,500,000 Equity shares of ₹ 1 each

Motilal Oswal Financial Services Limited -Employees Stock Option Scheme -VI (ESOS-VI)

The Scheme was approved by Board of Directors on 21 April 2008 and by the shareholders in AGM dated 08 July 2008 and is for issue of 5,000,000 options representing 5,000,000 Equity shares of ₹ 1 each

Motilal Oswal Financial Services Limited -Employees Stock Option Scheme -VII (ESOS-VII)

The Scheme was approved by Board of Directors on 19 July 2014 and by the shareholders in AGM dated 22 August 2014 and is for issue of 2,500,000 options representing 2,500,000 Equity shares of ₹ 1 each

Motilal Oswal Financial Services Limited -Employees Stock Option Scheme -VIII (ESOS-VIII)

The Scheme was approved by Board of Directors on 27 April 2017 and by the shareholders in AGM dated 27 July 2017 and is for issue of 30,00,000 options representing 30,00,000 Equity shares of ₹ 1 each

NOTES TO FINANCIAL STATEMENT (Contd..)

The activity in the (ESOS-III), (ESOS-V),(ESOS-VI), ESOS (VII) and ESOS (VIII) during the year ended 31 March 2019 and 31 March 2018 is set below:

Particulars	For the year ended 31-Mar-19		For the year ended 31-Mar-18	
	In Numbers	Weighted Average Exercise Price (In ₹)	In Numbers	Weighted Average Exercise Price (In ₹)
ESOS-III : (Face value of ₹ 2 each)				
Option outstanding as at beginning of the year	–	–	9,250	103.78
Add: Granted	–	–	–	NA
Less: Exercised	–	–	–	NA
Less: Forfeited	–	–	–	NA
Less: Lapsed	–	–	9,250	103.78
Option outstanding end of the year	–	–	–	NA
Exercisable at the end of the year	–	–	–	–
ESOP-V : (Face value of ₹ 1 each)				
Option outstanding as at beginning of the year	5,56,140	249.03	9,94,090	257.74
Add Granted	–	–	–	–
Less: Exercised	2,19,240	160.19	4,37,950	268.80
Less: Forfeited	–	–	–	NA
Less: Lapsed	–	–	–	NA
Option outstanding as at end of the year	3,36,900	306.84	5,56,140	249.03
Exercisable at the end of the year	70,625	291.00	32,500	–
ESOP-VI : (Face value of ₹ 1 each)				
Option outstanding as at beginning of the year	3,53,227	302.33	4,26,669	296.97
Add Granted	–	–	–	NA
Less: Exercised	94,660	148.64	73,442	271.17
Less: Forfeited	–	–	–	NA
Less :Lapsed	–	–	–	NA
Option outstanding as at end of the year	2,58,567	358.48	3,53,227	302.33
Exercisable at the end of the year	1,30,699	182.38	90,200	–
ESOP-VII : (Face value of ₹ 1 each)				
Option outstanding as at beginning of the year	20,74,900	412.81	21,89,590	414.30
Add Granted	–	–	–	NA
Less: Exercised	2,82,900	340.26	1,14,690	441.23
Less :Lapsed	–	–	–	NA
Option outstanding as at end of the year	17,92,000	424.45	20,74,900	412.81
Exercisable at the end of the year	3,03,050	389.35	–	–
The (ESOP-VIII) : (Face value of ₹ 1/- each)				
Option outstanding, beginning of the Year.	–	–	–	–
Add Granted	10,00,000	867.45	–	–
Less: Exercised	–	–	–	–
Less : Lapsed	–	–	–	–
Option outstanding, end of the Year	10,00,000	867.45	–	–
Exercisable at the end of the period	–	–	–	–

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Employees' Stock Options Scheme (ESOS) :

During the year, 10,00,000 Employee Stock Options have been granted to the employees of the Company and its subsidiary Companies (Previous year Nil).

The weighted average share price for stock options exercised during the year was ₹ 243.72 (previous year ₹ 300.66)

Particulars	Scheme V	Scheme VI	Scheme VII	Scheme VIII
Date of grant	Various Dates	Various Dates	Various Dates	21/08/2018
Date of board approval	Various Dates	Various Dates	Various Dates	27 April 2017
Date of Shareholder's approval	4 December 2007	8 July 2008	22 August 2014	27 July 2017
Number of options granted	50,88,325	74,10,100	32,17,750	10,00,000
Method of settlement	Equity shares	Equity shares	Equity shares	Equity shares
Vesting period	1 year to 5 years	1 year to 5 years	1 year to 7 years	1 year to 4 years
Weighted average remaining contractual life (Vesting period)				
Granted but not vested	3.83 years (Previous year 1.51 years)	4.58 years (Previous year 2.19 years)	3.97 years (Previous year 1.96 years)	5.42 years (Previous year NA)
Vested but not exercised	2.42 years (Previous year 0.00 years)	2.86 years (Previous year 0.50 years)	2.48 years (Previous year NA years)	NA (Previous year NA)
Weighted average share price at the date of exercise for stock options exercised during the year	₹ 789.48 (Previous year ₹ 1086.99)	₹ 805.83 (Previous year ₹ 1127.32)	₹ 735.01 (Previous year 1072.67)	NA (Previous year NA)
Exercise period	Within 1 to 3 years of vesting of options			
Vesting conditions	Vesting of options would be subject to continued employment with the Company and / or its holding / subsidiary and thus the options would vest on passage of time. In addition to this, the Remuneration / Compensation Committee may also specify certain performance parameters subject to which the options would vest. In case of performance based vesting, the options would vest on achievement of performance parameters irrespective of the time horizon.			
Weighted Average Fair Value of options (granted but not vested) as on grant date	₹ 127.42 (Previous year ₹ 111.42)	₹ 215.25 (Previous year ₹ 126.91)	₹ 178.19 (Previous year ₹ 165.99)	₹ 321.06 (Previous year ₹ NA)
Range of Risk free interest rate	6.05% - 7.8%	6.05% - 7.8%	6.97% - 7.8%	7.37%
Dividend yield	1%	1%	1%	0.5%
Expected volatility	40%	40%	40%	40%

Exercise Pricing Formula

Scheme V

Exercise price shall be the closing price of the Company's equity shares quoted on the BSE immediately preceding the date of Grant of the Stock Options, which for this purpose shall be the date on which the Committee grant the Stock Options, discounted by such percentage as may be determined by the Committee in the best interest of the various stakeholders in the prevailing market conditions

Scheme VI

Exercise price shall be the closing price of the Company's Equity Shares, prior to the date of grant of the Options, on the Stock Exchanges where the highest trading volume is recorded, discounted / increased by such percentage as may be determined by the Committee.

Scheme VII

Exercise price shall be the closing price of the Company's Equity Shares, prior to the date of grant of the Options, on the Stock Exchanges where the highest trading volume is recorded, discounted / increased by such percentage as may be determined by the Committee.

Scheme VIII

Exercise price shall be the closing price of the Company's Equity Shares, prior to the date of grant of the Options, on the Stock Exchanges where the highest trading volume is recorded, discounted / increased by such percentage as may be determined by the Committee.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Other Information regarding employee share based payment plan is as below :

	For the year ended 31-Mar-19 ₹ in Lakhs	For the year ended 31-Mar-18 ₹ in Lakhs
Expense arising from employee share based payment plans	1,344	896
Total carrying amount at the end of the period of ESOP Reserve	3,428	2,739

The Company provides a sensitivity analysis to show the impact to the Company's profit before taxation in the event that forfeiture and performance condition assumptions exceed or are below the Company's estimations by the stated percentages.

Impact on the income statement of a change in leaver assumptions	For the year ended 31-Mar-19 ₹ in Lakhs	For the year ended 31-Mar-18 ₹ in Lakhs
(+)5%	(68.41)	(50.47)
(-)5%	82.92	62.38

NOTE 56 : TAX EXPENSE

The Company pays taxes according to the rates applicable in India. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). Tax is charged to equity when the tax benefit exceeds the cumulative income statement expense on share plans. The Company provides for current tax according to the tax laws of India using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is recognised when it is considered recoverable and herefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Particulars	For the year ended 31-Mar-19 ₹ in Lakhs	For the year ended 31-Mar-18 ₹ in Lakhs
Current tax expense		
Current tax for the year	8,914	8,590
Tax adjustment in respect of earlier years	—	267
Total current tax expense	8,914	8,857
Minimum alternate tax credit entitlement	—	530
Deferred taxes		
Change in deferred tax liabilities	(1,927)	1,287
Net deferred tax expense	(1,927)	1,817
	6,987	10,674

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Particulars	For the year ended 31-Mar-19 ₹ in Lakhs	For the year ended 31-Mar-18 ₹ in Lakhs
Tax reconciliation (for profit and loss)		
Profit / (loss) before income tax expense	39,164	49,690
Tax at the rate of 21.5488% (for 31 March 2018 - 29.12%)	8,439	14,470
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Exempt Income	(1,744)	(5,404)
Change due to deferred tax	228	–
Tax adjustment of previous years	–	268
MAT adjustment	–	1,020
Actuarial gain	(10)	–
Others	20	9
Income tax expense	6,933	10,363

Net Deferred Tax

Particulars	For the year ended 31-Mar-19 ₹ in Lakhs	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
Deferred tax liability on account of :			
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	1,888	1,637	1,998
Sign on bonus pending write off	–	6	4
Loss on private equity investment	7	11	–
Deferred tax on IND AS adjustments	8,265	10,494	8,474
Total deferred tax liabilities (A)	10,160	12,148	10,476
Deferred tax assets on account of:			
Expenses allowable u/s. 43B on payment basis	509	418	321
Allowance on impairment	387	328	116
Interest accrued on optionally redeemable convertible debenture	–	69	38
Rent income	–	74	62
Business loss carried forward	–	22	40
Provision for impairment of non-current investments	278	249	115
Total deferred tax assets (B)	1,174	1,160	692
Net deferred tax Liability / (Assets) (A-B)	8,986	10,988	9,784

NOTES TO FINANCIAL STATEMENT (Contd..)

Deferred tax related to the following:

₹ in Lakhs

Particulars	As at 31 March 2019	Recognised through profit and loss	Recognised through Other Comprehensive Income	As at 31 March 2018	Recognised through profit and loss	Recognised through Other Comprehensive Income	As at 1 April 2017
Deferred tax liabilities on account of:							
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	1,888	252	–	1,637	(361)	–	1,998
Sign on bonus pending write off	–	(6)	–	6	3	–	4
Loss on private equity investment	7	(4)	–	11	11	–	–
Deferred tax on IND AS adjustments	8,265	(2,154)	(74)	10,494	2,104	(84)	8,474
Total deferred tax liabilities	10,160	(1,912)	(74)	12,148	1,757	(84)	10,476
Deferred tax assets on account of:							
Expenses allowable u/s. 43B on payment basis	509	91	–	418	97	–	321
Provision on standard, sub-standard and doubtful assets	387	60	–	328	212	–	116
Interest accrued on optionally redeemable convertible debenture	–	(69)	–	69	31	–	38
Rent income	–	(74)	–	74	13	–	62
Business loss carried forward	–	(22)	–	22	(18)	–	40
Provision for impairment of non-current investments	278	29	–	249	135	–	114
Total deferred tax assets	1,174	15	–	1,160	470	–	691
Total deferred tax Assets/ liability (net)	8,986	(1,927)	(74)	10,988	1,287	(84)	9,785

NOTE 57 : FAIR VALUE MEASUREMENT

1. Accounting classification and fair values

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

₹ in Lakhs

Particulars	Carrying amount				Fair value				
	31-Mar-2019	FVPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Cash and cash equivalents	–	–	25,799	25,799	–	–	–	–	–
Bank balance other than cash and cash equivalents above	–	–	30,652	30,652	–	–	–	–	–
Receivables									
(I) Trade receivables	–	–	1,18,413	1,18,413	–	–	–	–	–
(II) Other receivables	–	–	12	12	–	–	–	–	–
Loans	–	–	52,363	52,363	–	–	–	–	–
Investments	1,89,100	19,547	1,00,848	3,09,495	1,51,930	6,500	50,399	2,08,829	
Other financial assets	–	–	3,300	3,300	–	–	–	–	–
Total financial assets	1,89,100	19,547	3,31,387	5,40,034	1,51,930	6,500	50,399	2,08,829	

NOTES TO FINANCIAL STATEMENT *(Contd.)*

₹ in Lakhs

Particulars	Carrying amount				Fair value			
	FVPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
31-Mar-2019								
Financial liabilities								
Payables								
(I) Trade payables								
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	1,14,629	1,14,629	-	-	-	-
(II) Other payables								
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-	-
Debt securities	-	-	39,771	39,771	-	-	-	-
Borrowings (Other than debt securities)	-	-	1,02,180	1,02,180	-	-	-	-
Deposits	-	-	5	5	-	-	-	-
Other financial liabilities	-	-	37,115	37,115	-	-	-	-
Total financial liabilities	-	-	2,93,700	2,93,700	-	-	-	-

The carrying value and fair value of financial instruments by categories as of 31 March 2018 are as follows:

₹ in Lakhs

Particulars	Carrying amount				Fair value			
	FVPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
31-Mar-2018								
Financial assets								
Cash and cash equivalents	-	-	18,317	18,317	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	5,228	5,228	-	-	-	-
Receivables								
(I) Trade receivables	-	-	73,120	73,120	-	-	-	-
(II) Other receivables	-	-	1,676	1,676	-	-	-	-
Loans		-	62,512	62,512	-	-	-	-
Investments	2,21,827	20,283	69,683	3,11,793	1,99,726	5,132	37,252	2,42,110
Other financial assets	-	-	2,308	2,308	-	-	-	-
Total financial assets	2,21,826	20,283	2,32,845	4,74,954	1,99,726	5,132	37,252	2,42,110
Financial liabilities								
Payables								
(I) Trade payables								
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

₹ in Lakhs

Particulars	Carrying amount				Fair value				
	31-Mar-2018	FVPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	97,608	97,608	-	-	-	-	-
(II) Other payables									
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
Debt securities	-	-	81,229	81,229	-	-	-	-	-
Borrowings (Other than debt securities)	-	-	44,722	44,722	-	-	-	-	-
Deposits	-	-	1,192	1,192	-	-	-	-	-
Other financial liabilities	-	-	26,231	26,231	-	-	-	-	-
Total financial liabilities	-	-	2,50,982	2,50,982	-	-	-	-	-

The carrying value and fair value of financial instruments by categories as of 1 April 2017 are as follows:

₹ in Lakhs

Particulars	Carrying amount				Fair value				
	1-Apr-2017	FVPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Cash and cash equivalents	-	-	12,212	12,212	-	-	-	-	-
Bank balance other than cash and cash equivalents above	-	-	9,405	9,405	-	-	-	-	-
Receivables									
(I) Trade receivables	-	-	94,594	94,594	-	-	-	-	-
(II) Other receivables	-	-	1,525	1,525	-	-	-	-	-
Loans	-	-	1,369	1,369	-	-	-	-	-
Investments	1,60,789	9,814	74,442	2,45,044	1,33,626	1,079	35,895	1,70,602	
Other financial assets	-	-	2,714	2,714	-	-	-	-	-
Total financial assets	1,60,789	9,814	1,96,261	3,66,863	1,33,626	1,079	35,895	1,70,602	
Financial liabilities									
Payables									
(I) Trade payables									
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-
(II) Other payables									
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT *(Contd.)*

₹ in Lakhs

Particulars	Carrying amount				Fair value				
	1-Apr-2017	FVPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	71,890	71,890	-	-	-	-	-
Debt securities	-	-	49,658	49,658	-	-	-	-	-
Borrowings (Other than debt securities)	-	-	48,803	48,803	-	-	-	-	-
Deposits	-	-	769	769	-	-	-	-	-
Other financial liabilities	-	-	13,556	13,556	-	-	-	-	-
Total financial liabilities	-	-	1,84,676	1,84,676	-	-	-	-	-

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

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

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

II. Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include :

- Quoted equity investments - Quoted closing price on stock exchange
- Mutual fund - net asset value of the scheme
- Alternative investment funds - net asset value of the scheme
- Unquoted equity investments - price multiples of comparable companies.
- Private equity investment fund - NAV of the audited financials of the funds.
- Real estate fund - net asset value, based on the independent valuation report or financial statements of the company income approach or market approach based on the independent valuation report.

III. Financial instruments not measured at fair value

Financial assets not measured at fair value includes cash and cash equivalents, trade receivables, loans and other financial assets. These are financial assets whose carrying amounts approximate fair value, due to their short-term nature.

Additionally, financial liabilities such as trade payables and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short-term nature.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 March 2019 and 31 March 2018:

Particulars	PE - Business Excellence Funds	PE - Real Estate Funds	Unquoted Shares	Total
As at April 1, 2017	14,487	17,155	4,253	35,895
Additions	4,888	1,616	-	6,504
Disposals	(365)	(3,926)	-	(4,291)
Gains/(losses) recognised in statement of profit and loss	2,783	(2,204)	1,435	857
As at March 31, 2018	21,792	12,641	2,818	37,252
Additions	6,958	6,924	-	13,882
Disposals	(129)	(1,946)	-	(2,076)
Gains / (losses) recognised in statement of profit and loss	429	730	182	1,341
Total	29,050	18,349	3,000	50,399

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Valuation inputs and relationships to fair value

The quantitative information about the significant unobservable inputs used in level 3 fair value measurements is summarised below.

Particulars	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Fair value of instruments	50,399	37,252	35,895
Significant unobservable inputs			
Net worth of the fund at Fair value			
– increase by 100 bps	504	373	359
– decrease by 100 bps	(504)	(373)	(359)

NOTE 58: FINANCIAL RISK MANAGEMENT

Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

A. Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligation. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements. The Company's major classes of financial assets are cash and cash equivalents, loans, investment in mutual fund units, term deposits, trade receivables and security deposits.

Deposits with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks / financial institutions as approved by the Board of directors.

The management has established accounts receivable policy under which customer accounts are regularly monitored. The Company has a dedicated risk management team, which monitors the positions, exposures and margins on a continuous basis."

Expected Credit Loss (ECL):

The Company applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables as well as on margin trade funding (MTF) loans are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired trade receivables.

For the purpose of computation of ECL, the term default implies an event where amount due towards margin requirement and / or mark to market losses for which the client was unable to provide funds / collaterals to bridge the shortfall, the same is termed as margin call triggered. When a trade receivable or MTF loans is credit impaired, it is written off against respective financial assets and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement.

The movement in expected credit loss

Particulars	Carrying amount	Carrying amount	Carrying amount
	31 March 2017 ₹ in Lakhs	31 March 2018 ₹ in Lakhs	01 April 2017 ₹ in Lakhs
Opening balance	763	191	–
Acquired through business combination	–	–	191
Impairment loss recognised	301	572	–
Closing balance	1,064	763	191

For determination of ECL on MTF loans, a staged approach is followed as below :

Stage 1 : All open positions in the MTF loan book are considered as stage 1 assets for computation of expected credit loss

Stage 2 : Exposures under stage 2 include dues upto 30 days pertaining to principal amount on closed positions and interest on all open positions of MTF loan book which are unsecured.

Stage 3 : Exposures under stage 3 include dues past 30 days pertaining to principal amount on closed positions and interest on all open positions of MTF loan book which are unsecured.

The company does not have any loan book which may fall under stage 2 or stage 3.

B. Liquidity risk

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

Prudent liquidity risk management requires sufficient cash and marketable securities and availability of funds through adequate committed credit facilities to meet obligations when due and to close out market positions.

The Company has a view of maintaining liquidity with minimal risks while making investments. The Company invests its surplus funds in short term liquid assets in bank deposits and liquid mutual funds. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

Refer Note no. 60 For analysis of maturities of financial assets and financial liabilities.

C. Market Risk

Market risk is the risk that the fair value or future Cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Foreign currency risk management

In respect of the foreign currency transactions, the company does not hedge the exposures since the management believes that the same is insignificant in nature and will not have a material impact on the Company.

The company's exposure to foreign currency risk at the end of reporting period is shown in note no.

(ii) Interest rate risk

The Company is exposed to Interest risk if the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates.

The Company's interest rate risk arises from interest bearing deposits with bank and loans given to customers. Such instruments exposes the Company to fair value interest rate risk. Management believe that the interest rate risk attached to this financial assets are not significant due to the nature of this financial assets.

(iii) Market price risks

The Company is exposed to market price risk, which arises from FVTPL and FVOCI investments. The management monitors the proportion of these investments in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the appropriate authority.

NOTE 59: CAPITAL MANAGEMENT

Risk management

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

NOTES TO FINANCIAL STATEMENT (Contd..)

The company monitors its capital by using gearing ratio, which is net debt to total equity. Net debt includes non-current borrowings net of cash and bank balances and total equity comprises of Equity share capital, security premium, share options outstanding account and retained earnings. Further, the company also manages its capital and return to shareholders by adequately investing in mutual funds.

The capital composition is as follows:

Particulars	31-Mar-19 ₹ in Lakhs	31-Mar-18 ₹ in Lakhs	1-Apr-17 ₹ in Lakhs
Gross debt*	1,41,952	1,25,950	98,461
Less: Cash and bank balances	56,452	23,546	21,618
Net debt (A)	85,500	1,02,404	76,843
Total equity (B)	2,59,356	2,38,144	1,95,091
Gearing ratio (A / B)	32.97%	43.00%	39.39%

*Debt includes debt securities as well as borrowings.

NOTE 60: MATURITY ANALYSIS OF ASSETS AND LIABILITIES:

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

₹ in Lakhs

Assets	31 March 19			31 March 18			01 April 17		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets									
Cash and cash equivalents	50,739	5,713	56,452	23,302	244	23,546	21,340	278	21,618
Trade receivables	1,18,413	–	1,18,413	73,120	–	73,120	94,594	–	94,594
Other receivables	12	–	12	1,676	–	1,676	1,525	–	1,525
Loans	52,363	–	52,363	62,512	–	62,512	1,369	–	1,369
Investments	65,213	2,44,281	3,09,494	86,224	2,25,569	3,11,793	45,621	1,99,422	2,45,043
Other financial assets	–	3,300	3,300	–	2,308	2,308	–	2,715	2,715
	2,86,740	2,53,294	5,40,034	2,46,834	2,28,121	4,74,955	1,64,449	2,02,415	3,66,864
Non-Financial assets									
Inventories	–	–	–	–	–	–	–	–	–
Current Tax assets	23	–	23	1,072	–	1,072	2,882	–	2,882
Investment Property	–	8,279	8,279	–	7,765	7,765	–	7,624	7,624
Property, plant and equipment	–	18,424	18,424	–	19,263	19,263	–	19,380	19,380
Intangible assets under development	–	130	130	–	–	–	–	–	–
Other Intangible assets	–	1,404	1,404	–	1,085	1,085	–	744	744
Other non-financial assets	–	2,330	2,330	–	1,643	1,643	–	1,151	1,151
	23	30,567	30,590	1,072	29,756	30,828	2,882	28,899	31,781
Assets held for sale				21,899		21,899	25,760		25,760
Total Assets	2,86,763	2,83,861	5,70,624	2,69,804	2,57,876	5,27,680	1,93,091	2,31,314	4,24,405
Liabilities									
Financial Liabilities									
Trade payables	1,14,629	–	1,14,629	97,608	–	97,608	71,890	–	71,890
Debts	39,771	–	39,771	81,229	–	81,229	49,658	–	49,658
Borrowings	1,02,180	–	1,02,180	44,722	–	44,722	48,803	–	48,803

NOTES TO FINANCIAL STATEMENT *(Contd.)*

₹ in Lakhs

Assets	31 March 19			31 March 18			01 April 17		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Deposits	5	–	5	1,192	–	1,192	–	769	769
Other financial liabilities	37,115	–	37,115	26,231	–	26,231	13,556	–	13,556
	2,93,700	–	2,93,700	2,50,982	–	2,50,982	1,83,907	769	1,84,676
Non Financial Liabilities									
Current tax liabilities (net)	–	–	–	–	–	–	304	–	304
Provisions	850	6,547	7,397	746	8,996	9,742	5,966	–	5,966
Deferred tax liabilities	–	8,986	8,986	–	10,988	10,988	–	9,784	9,784
Other non financial liabilities	1,185	–	1,185	438	–	438	174	–	174
	2,035	15,533	17,568	1,184	19,984	21,168	6,444	9,784	16,228
Liabilities held for sale				17,387		17,387	28,411		28,411
Total Liabilities	2,95,735	15,533	3,11,268	2,69,553	19,984	2,89,537	2,18,762	10,553	2,29,315

NOTE 61: REVENUE FROM CONTRACT WITH CUSTOMERS

The Company derives revenue primarily from the share broking business. Its other major revenue sources are the Portfolio management fees and commission income and Interest income .

Disaggregate revenue information

- 1 The table below presents disaggregate revenues from contracts with customers for the year ended 31 March 2019 and 31 March 2018. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.

Nature of Services

- Broking Income - Income from services rendered as a broker is recognised upon rendering of the services, in accordance with the terms of contract.
- Portfolio management fees and commission income - Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract. Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be. Commissions and fees recognised as aforesaid are exclusive of goods and service tax, securities transaction tax, stamp duties and other levies by SEBI and stock exchanges.
- Interest Income - Interest is earned on delayed payments from clients and amounts funded to them. Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable.
- Depository Income - Income from services rendered on behalf of depository is recognised upon rendering of the services, in accordance with the terms of contract.

2. Disaggregate revenue information

Particulars	31-Mar-19 ₹ in Lakhs	31-Mar-18 ₹ in Lakhs
Operating segment :		
Brokerage income	66,780	68,952
Portfolio management fees and commission income	10,835	11,814
Interest income	17,254	16,159
Depository income	2,356	2,236

NOTES TO FINANCIAL STATEMENT *(Contd..)*

3. Nature, timing of satisfaction of the performance obligation and significant payment terms.

- (i) Income from services rendered as a broker is recognised upon rendering of the services.
- (ii) Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract.
- (iii) Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be, on issue of the insurance policy to the applicant.
- (iv) Interest is earned on delayed payments from clients and amounts funded to them as well as term deposits with banks.
- (v) Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable.
- (vi) Income from services rendered on behalf of depository is recognised upon rendering of the services, in accordance with the terms of contract.

The above services are point in time in nature, and no performance obligation remains once the transaction is executed.

Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract, and are over the period in nature.

NOTE 62 : ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Financial assets			
First charge			
Receivables			
(I) Trade receivables	57,000	47,000	19,750
Floating charge			
Investments	85,941	1,12,710	76,869
Non-financial assets			
First charge			
Property, plant and equipment	41,510	41,510	41,510
Total assets pledged as security	1,84,451	2,01,220	1,38,129

Terms and conditions:

1. Investments, Trade receivables, Loans and Property, plant and equipments are pledge with Banks and NBFCs to against borrowing facilities taken by the Group.
2. The margin of two times cover is provided against the loan facilities for pledge of Investments and Trade receivables and 1.67 times for Property, plant and equipment.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 63: DISCLOSURE PURSUANT TO IND AS 101 “FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS”

a) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i) Reconciliation of total equity between previous GAAP and Ind AS:

Particulars	Note	Year Ended 31-Mar-18 ₹ in Lakhs	Year Ended 1-Apr-17 ₹ in Lakhs
Net worth under previous GAAP		1,79,752	1,53,916
GAAP adjustments:			
Gain on Fair Valuation of Investments	(d) (i)	49,869	41,244
Increase / (Decrease) in employee benefit expenses due to fair valuation of Employee Stock Option	(d) (iii)	142	486
Other comprehensive income	(d) (v)	18,957	7,930
Deferred tax impact on above adjustments	(d) (ii)	(10,576)	(8,472)
Total GAAP adjustments		58,392	41,188
Net worth under Ind AS		2,38,144	1,95,104

ii) Reconciliation of profit as per Ind AS with profit reported under previous GAAP: (₹ in Lacs)

	Note	Year ended 31-Mar-18 ₹ in Lakhs
Net profit as per the Previous GAAP		32,339
GAAP adjustments:		
Gain on fair valuation of investments	(d) (i)	8,624
Reclassification of net actuarial loss on employee defined benefit obligation to Other Comprehensive Income	(d) (iii)	472
Deferred tax on above		(2,107)
Total GAAP adjustments		6,989
Net profit after tax (before OCI) as per Ind AS		39,328
Other comprehensive Income (net of tax)	(d) (v)	11,026
Total Comprehensive Income under Ind AS		50,354

b) Notes to first-time adoption:

The Company has prepared opening Balance Sheet as per Ind AS as of April 1, 2017 (transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, derecognising items of assets or liabilities which are not permitted to be recognised by Ind AS, reclassifying items from I-GAAP to Ind AS as required, and applying Ind AS to measure the recognised assets and liabilities.

i) Fair valuation of investments

Under the previous Indian GAAP, investments in equity instruments, debentures, preference shares, mutual funds, venture capital funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are

NOTES TO FINANCIAL STATEMENT (Contd..)

required to be measured at fair value. The resulting fair value changes of these investments have been recognised in other equity as at the date of transition and subsequently in the profit or loss / other comprehensive income for the year ended March 31, 2018. This increased the other equity by ₹ 49,869 Lakhs as at March 31, 2018 (April 01, 2017 - ₹ 41,244 Lakhs). Profit before tax and other comprehensive income before tax for the year ended 31 March 2018 decreased by ₹ 8,624 Lakhs and ₹ 11,026 lakhs respectively.

ii) Deferred tax

Indian GAAP requires deferred tax accounting using the profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments have lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

iii) Employee stock option expense

Under the previous GAAP, the company has used the intrinsic value method to account for the compensation cost of stock to the employees. Intrinsic value is the amount by which the quoted market price of the underlying share on the date, prior to the date of the grant, exceeds the exercise price of the option. Under Ind AS 102, the grant date fair value of the employee stock options should be recognised over the vesting period by debiting the 'Employee benefit expense' in the statement of profit and loss and crediting 'Share option outstanding reserve' under other equity.

iv) Remeasurement of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss under the previous GAAP. As a result of this change, the profit for the year ended March 31, 2018 increased by ₹ 472 lakhs. There is no impact on the total equity as at 31 March 2018.

v) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and fair value of investment. The concept of other comprehensive income did not exist under previous GAAP.

vi) Exemptions availed by the company

The exemptions availed by the Company under Ind AS 101 are as follows:

- (i) The Company has adopted the carrying value determined in accordance with I-GAAP for all of its property plant & equipment and investment property as deemed cost of such assets at the transition date.
- (ii) Ind AS 102 Share-based Payment has not been applied to equity instruments in share-based payment transactions that vested before April 1, 2017.

The estimates as at April 1, 2017 and at March 31, 2018 are consistent with those made for the same dates in accordance with I-GAAP.

NOTE 64 : SCHEME OF AMALGAMATION

- (i) Pursuant to the Scheme of Amalgamation and Merger (the 'Scheme') entered into between erstwhile subsidiary company, Motilal Oswal Securities Limited ('the Transferor Company') and the Company, as approved by the NCLT, the Transferor Company has been merged with the Company as per accounting prescribed under the scheme which is in line with the accounting principles given under Appendix C to Ind AS 103 applicable to common control business combinations. Accordingly, opening balance sheet as at 1 April 2017, comparative financial information for the year ended 31 March 2018 and the accompanying standalone financial statements for the year ended 31 March 2019 have been adjusted to account for the aforesaid merger.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

- (ii) Motilal Oswal Securities Limited ('the Transferor Company') is a debt listed public limited company domiciled in India. It is a wholly owned subsidiary of Motilal Oswal Financial Services Limited. The registered office of the Company is Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025. The Transferor Company acts as a stock broker and executes stock trades on behalf of its clients which include retail customers (including high net worth individuals), mutual funds, foreign institutional investors, financial institutions and corporate clients. Besides stock broking, it also offers a bouquet of financial products and services to its client base. It is also one of the leading distributors of portfolio management schemes, mutual funds, private equity and systematic investment plans.
- (iii) The Scheme of amalgamation will benefit the Transferor Company and Transferee Company. The rational and reasons for proposed Scheme of Arrangement, inter alia, are summarized below:
- (a) Consolidation of operations within the Transferee Company leading to greater synergies.
 - (b) Stronger balance sheet and net worth to meet capital needs of subsidiaries for future growth and expansion.
 - (c) Free flow of funds and ease limits of investments / loans by the Transferee Company for expansion of business activities.
 - (d) Board of Transferee Company to have greater oversight over the consolidated business operations of subsidiaries.
 - (e) Merger and consolidation of fund based investment activities of the Group into one entity.
 - (f) Exposure of shareholders of the Transferee Company to the larger business activities of the flagship broking and related business activities of the Group.
 - (g) Cost savings through legal entity rationalisation and elimination of intra group transactions.
- (iv) The amalgamation is accounted for as per the accounting treatment mentioned in the Scheme approved i.e. as per the pooling of interest method.
- (v) Pursuant to Scheme :
- (a) All assets and liabilities appearing in the books of the transferor company have been recorded by the transferee company at their respective book values in opening balance sheet as at 01 April 2017.
 - (b) The difference between net assets taken over & investment in the books of the Transferee Company have been debited to general reserve.

Particulars	₹ in Lakhs
Assets	
Fixed Assets	
Property, Plant & Equipment	9,824
Intangible Assets	742
Non-Current Investments	1,25,126
Long-term Loans and Advances	2,889
Other Non-Current Assets	250
Current assets	1,28,646
Less: Liabilities	
Non-Current Liabilities:	(16,813)
Current Liabilities:	(1,63,502)
Total net assets taken over	87,162
Less:	
Value of Investment in the books of MOFSL	(163)
Other equity of the Transferor Company	(87,030)
General Reserves	(31)

NOTES TO FINANCIAL STATEMENT *(Contd..)*

(vi) Reconciliation of equity (₹ in Lacs)

Particulars	Equity as at 31-Mar-18	Equity as at 1-Apr-17
Equity as per previous reported Balance sheet	73,384	66,918
Merger Adjustment:		
Net equity as on reporting date of the Transferor Company	1,04,371	87,030
Increase in surplus due to change in tax expense	2,028	–
General reserve on business combination	(31)	(31)
Total - Merger adjustments	1,06,368	86,999
Equity as per reported Balance sheet	1,79,752	1,53,917

Reconciliation of total equity between previous GAAP and Ind AS: (₹ in Lacs)

Particulars	Year Ended 31-Mar-18	Year Ended 1-Apr-17
Net worth under previous GAAP	1,79,752	1,53,917
GAAP adjustments:		
Gain on Fair Valuation of Investments	49,869	41,244
Increase / (Decrease) in employee benefit expenses due to fair valuation of Employee Stock Option	142	472
Other comprehensive income	18,957	7,930
Deferred tax impact on above adjustments	(10,576)	(8,472)
Total GAAP adjustments	58,392	41,188
Net worth under Ind AS	2,38,144	1,95,091

(vii) Reconciliation of Profit & Loss Statement (₹ in Lacs)

Particulars	Year Ended 31-Mar-18
Net Profit for the period as per previous Profit & Loss statement	12,970
Merger Adjustment:	
Net Profit for the year ended on 31 March 2018 of the Transferor Company	17,342
Changes in tax expenses	2,028
Total - Merger adjustments	19,370
Net Profit for the period as per reported Profit & Loss statement	32,340

Reconciliation of profit as per Ind AS with profit reported under previous GAAP: (₹ in Lacs)

Particulars	Year Ended 31-Mar-18
Net profit as per the Previous GAAP	32,340
GAAP adjustments:	
Gain on fair valuation of investments	8,624
Reclassification of net actuarial loss on employee defined benefit obligation to Other Comprehensive Income	472
Deferred tax on above	(2,107)
Total GAAP adjustments	6,989
Net profit after tax (before OCI) as per Ind AS	39,329
Other comprehensive Income (net of tax)	11,026
Total Comprehensive Income under Ind AS	50,355

NOTES TO FINANCIAL STATEMENT *(Contd.)*

NOTE 65

The Company has derecognised the opening accumulated Minimum Alternative Tax (MAT) credit balance as at 31 March 2017 of ₹ 530 lakhs on account of uncertainty around the time frame within which income tax will be payable under the normal provisions against which the MAT credit can be utilised.

NOTE 66 : CORPORATE SOCIAL RESPONSIBILITY

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from 1 April 2014. As per the provisions of the said section, the Company has undertaken the following CSR initiatives during the financial year 2018-19. CSR initiatives majorly includes supporting under privileged in education, medical treatments, etc and various other charitable and noble aids.

a) Gross amount required to be spent by the Company during the year ₹ 446 lakhs (Previous year ₹ 319 lakhs)

b) Amount spent during the year ended 31 March 2019 on : ₹ in Lakhs

Particulars	Amount paid	Yet to be paid	Total
a) Construction/acquisition of any asset	205	–	205
b) on purposes other than (a) above	312	–	312
Total	517	–	517

Amount spent during the year ended 31 March 2018 on : ₹ in Lakhs

Particulars	Amount paid	Yet to be paid	Total
a) Construction / acquisition of any asset	17	–	17
b) on purposes other than (a) above	353	–	353
Total	370	–	370

(c) Above includes a contribution of ₹ 409 lakhs (Previous year ₹ 250 lakhs) to Motilal Oswal Foundation which is classified as related party under Ind AS 24- “ Related Party Disclosures”

As per our attached Report of even Date

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

Sudhir N. Pillai

Partner

Membership Number: 105782

Place : Mumbai

Date : 11th May 2019

For and on behalf of the Board of Directors

Motilal Oswal Financial Services Limited

Motilal Oswal

Chairman and Managing Director

DIN : 00024503

Shalibhadra Shah

Chief Financial Officer

Place : Mumbai

Date : 11th May 2019

Raamdeo Agarawal

Joint Managing Director

DIN : 00024533

Kailash Purohit

Company Secretary

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Consolidated Financial Statements



INDEPENDENT AUDITOR'S REPORT

To the Members of MOTILAL OSWAL FINANCIAL SERVICES LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying consolidated financial statements of Motilal Oswal Financial Services Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associate, which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associate the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2019, and its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 14 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>First time adoption of Ind AS framework</p> <p>Refer note 2.1 for significant accounting policies and note 61 for reconciliation.</p> <p>As disclosed in note 2.1 to the financial statements, the Company has adopted the Indian Accounting Standards notified under section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) ('Ind AS') with effect from 01 April 2018 (1 April 2017 being the transition date) and prepared the first set of financial statements under Ind AS framework in the current year.</p>	<p>Our procedures in respect of the first time adoption of Ind AS framework included, but were not limited to, the following:</p> <p>Design / controls</p> <ul style="list-style-type: none"> Assessed the design, implementation and operating effectiveness of key internal controls over management's evaluation of transition date choices and exemptions availed in line with the principles under Ind AS 101. <p>Substantive tests</p> <ul style="list-style-type: none"> Evaluated the implementation of exemptions availed by the Company in accordance with the requirements of Ind AS 101, First Time Adoption of Indian Accounting Standards (Ind AS 101).

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

Key audit matter	How our audit addressed the key audit matter
<p>For periods up to and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('previous GAAP').</p> <p>This change in the financial reporting framework required an end-to-end evaluation of the potential impact on each component of the financial statement which involved significant efforts. This process also required the management to apply significant judgements to identify and elect appropriate accounting policies suitable for various transactions and balances relating to the operations of the Company including electing of available options for transition of balances as at the transition date from the previous GAAP to the new GAAP.</p> <p>Further, the first time preparation of the Ind AS financial statements involved preparation and presentation of additional notes and disclosures as required by the Ind AS framework as compared to the previous GAAP in addition to Note 61 to the financial statements setting forth the reconciliation of balances from previous GAAP to the new GAAP as at the transition date, and the impact of restatement on the results of the comparative period due to such transition. The areas where there were a significant impact on account of first time adoption involved the following standards amongst others:</p> <ol style="list-style-type: none"> a. Ind AS 109, Financial Instruments – Fair Valuation of Investments b. Ind AS 107, Financial Instruments: Disclosures <p>Considering the significance of the event in the current year to the financial statements, the complexities and efforts involved, this matter has been identified as a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> • Evaluated the accounting policies adopted by the Company on transition to Ind AS and assessed its appropriateness and the requirements of relevant accounting standards under the Ind AS framework. • Assessed areas of significant estimates and management judgment in line with principles under Ind AS. • Evaluated the appropriateness and adequacy of disclosures in financial statements.
<p>Information Technology system for the financial reporting process</p> <p>The Company is highly dependent on its information technology (IT) systems for carrying on its operations which require large volume of transactions to be processed on a daily basis. Further, the Company's accounting and financial reporting processes are dependent on the automated controls enabled by IT systems which impacts key financial accounting and reporting items such as Brokerage income, Trade receivable ageing, Management fees amongst others. The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting.</p>	<p>Our key audit procedures with the involvement of our IT specialists included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Company's IT environment and conducted risk assessment and identified IT applications, databases and operating systems that are relevant to our audit. Also, obtained an understanding of key controls operating over the such identified systems; • Tested the design and operating effectiveness of the Company's IT controls over IT applications as identified above;

INDEPENDENT AUDITOR'S REPORT *(Contd..)*

Key audit matter	How our audit addressed the key audit matter
<p>We have focused on user access management, change management, segregation of duties, developer access to the production environment and changed to IT environment. Further, we also focussed on key automated controls relevant for financial reporting.</p> <p>Accordingly, since our audit strategy has focused on key IT systems and controls due to pervasive impact and performing an extensive testing of automated controls and ITGCs; we have determined the same as a key audit matter for current year audit.</p>	<ul style="list-style-type: none"> For the IT applications identified above, tested IT general controls particularly logical access, change management and aspects of IT operational controls. Tested that requests for access to systems were appropriately reviewed and authorised; tested controls around Company's periodic review of access rights; inspected requests of changes to systems for appropriate approval and authorisation. Tested related interfaces, configuration and other application layer controls identified during our audit and report logic for system generated reports relevant to the audit mainly for Brokerage income, Management fees, Trade receivable ageing for evaluating completeness and accuracy. Where deficiencies were identified, tested compensating controls or performed alternative procedures.
<p>Valuation of investments carried at fair value in relation to the Holding Company</p> <p>Refer note 2.9 for significant accounting policies, note 8 and Note 56 for financial disclosures</p> <p>As at 31 March 2019, the Group has reported total investments of ₹ 268,591 lacs, of which investments of ₹ 205,912 lacs relate to the Holding Company which represent 20 % of the total assets of the Group as at 31 March 2019.</p> <p>The investments which are valued using Level 2 and 3 inputs comprise 27% of the total investments of the Holding Company as at 31 March 2019.</p> <p>These investments comprise of investment in Real Estate Funds, Alternative Investment Funds and Private Equity Funds.</p> <p>The aforesaid investment is not traded in the market. These investments are fair valued using Level 2 and 3 inputs. The fair valuation of these investments is determined by a management appointed independent valuation specialist based on discounted cash flow method for equity, Investment in Alternate Investment funds are valued based on the net asset value declared by the respective funds. The process of computation of fair valuation of investments include use of unobservable inputs and management judgements and estimates which are complex.</p> <p>The key assumptions underpinning management's assessment of fair value of these investments, include application of liquidity discounts; calculation of discounting rates and the estimation of projections of revenues, projections of future cash flows, growth rates.</p> <p>The valuation of these investments was considered to be one of the areas which required significant auditor attention and was one of the matters of most significance in the standalone financial statements due to the materiality of total value of investments to the standalone financial statements and the complexity involved in the valuation of these investments.</p>	<p>Our audit procedures in relation to valuation of investments included, but were not limited to, the following:</p> <p>Design/Controls:</p> <ul style="list-style-type: none"> Obtained a detailed understanding of the management's process and controls for determining the fair valuation of these investments. The understanding was obtained by performance of walkthroughs which included inspection of documents produced by the Company and discussion with those involved in the process of valuation; Evaluated the design and the operational effectiveness of relevant key controls over the valuation process, including the Company's review and approval of the estimates and assumptions used for the valuation including key authorization and data input controls; <p>Substantive tests:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the valuation methodologies for varied type of investments in accordance with the Company's policy and tested the mathematical accuracy of the management's model adopted for different types of investments; Obtained the valuation reports done by the management's expert and assessed the expert's competence, objectivity and independence in performing the valuation of these investments; For these investments, critically evaluated the valuation assessment and resulting conclusions by the Company in order to determine the appropriateness of the valuations by performing reasonableness tests and evaluating sensitivity analysis for the key inputs and assumptions; Ensured the appropriateness of the carrying value of these investments in the financial statements and the gain or loss recognised in the financial statements as a result of such fair valuation; and Ensured the appropriateness of the disclosures in accordance with the applicable accounting standards

INDEPENDENT AUDITOR'S REPORT *(Contd..)*

Key audit matter	How our audit addressed the key audit matter
	<ul style="list-style-type: none"> Obtained written representations from the management and those charged with governance whether they believe significant assumptions used in valuation of the investments are reasonable.

6. The other auditors of the component Aspire Home Finance Corporation Limited, vide their audit report on the financial statements of the component have reported the following Key Audit Matters which have been reproduced below:

Key audit matter	How the matter was addressed in our audit
<p>Impairment of loans and advances to customers Charge: INR 6,247 Lacs for year ended 31 March 2019 Provision: INR 17,500 Lacs at 31 March 2019 Refer Note 2.9(ii) for Significant accounting policies and Note 57 for financial disclosure</p>	
<p>Subjective estimate Recognition and measurement of impairment of loans and advances involve significant management judgement. With the applicability of Ind AS 109, credit loss assessment is now based on expected credit loss (ECL) model. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are:</p> <ul style="list-style-type: none"> - Loan staging criteria - Calculation of probability of default / Loss given default - Consideration of probability weighted scenarios and forward looking macroeconomic factors <p>There is a large increase in the data inputs required by the ECL model. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. In some cases, data is unavailable and reasonable alternatives have been applied to allow calculations to be performed.</p>	<p>Our audit procedures included:</p> <p>Design / controls</p> <ul style="list-style-type: none"> Evaluated the appropriateness of the impairment principles based on the requirements of Ind AS 109, our business understanding and industry practice. Understood management's new / revised processes, systems and controls implemented in relation to impairment allowance process. Assessed the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge. We used our modelling specialist to test the model methodology and reasonableness of assumptions used. Tested management review controls over measurement of impairment allowances and disclosures in financial statements. <p>Substantives tests</p> <ul style="list-style-type: none"> We focused on appropriate application of accounting principles, validating completeness and accuracy of the data and reasonableness of assumptions used in the model. Test of details over of calculation of impairment allowance for assessing the completeness, accuracy and relevance of data. Model calculations were tested through reperformance where possible. The appropriateness of management's judgments was also independently reconsidered in respect of calculation methodologies, segmentation, economic factors, the period of historical loss rates used, loss emergence periods and the valuation of recovery assets and collateral.

INDEPENDENT AUDITOR'S REPORT *(Contd..)*

Key audit matter	How the matter was addressed in our audit
Information technology	
<p>IT systems and controls</p> <p>The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. The Company uses one system for its overall financial reporting.</p> <p>During the previous year we had identified that controls over the Company's user access rights management and change management processes required improvements.</p> <p>We have focused on user access management, change management, segregation of duties, system reconciliation controls and system application controls over key financial accounting and reporting systems.</p>	<p>Our audit procedures to assess the IT system access management included the following:</p> <p>General IT controls / user access management</p> <ul style="list-style-type: none"> We tested a sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access and system change management, program development and computer operations. We tested the design and operating effectiveness of key controls over user access management which includes granting access right, new user creation, removal of user rights and preventative controls designed to enforce segregation of duties. For a selected group of key controls over financial and reporting system, we independently performed procedures to determine that these control remained unchanged during the year or were changed following the standard change management process. Evaluating the design, implementation and operating effectiveness of the significant accounts-related IT automated controls which are relevant to the accuracy of system calculation, and the consistency of data transmission. Other areas that were independently assessed included password policies, security configurations, system interface controls, controls over changes to applications and databases and that business users, developers and production support did not have access to change applications, the operating system or databases in the production environment. <p>Based on the procedures performed above, we continue to identify areas where the Company's general IT controls need improvement particularly in relation to user access rights change management. As a consequence of the deficiencies identified, a range of other procedures were performed.</p> <ul style="list-style-type: none"> where inappropriate access was identified, we understood the nature of the access, and, where possible, obtained additional evidence on the appropriateness of the activities performed; additional substantive testing was performed on specific year-end reconciliations (i.e. bank account reconciliations) testing was performed on other compensating controls such as business performance reviews; and a list of users' access permissions was obtained and manually compared to other access lists where segregation of duties was deemed to be of higher risk, for example users having access to core systems.

INDEPENDENT AUDITOR'S REPORT *(Contd..)*

Key audit matter	How the matter was addressed in our audit
<p>Transition date accounting policies</p> <p>Adoption of new accounting framework (Ind AS)</p> <p>Refer note 2.1 for significant accounting policies.</p> <p>Effective 1 April 2018, the Company adopted the Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs with the transition date of 1 April 2017.</p> <p>The following are the major impact areas for the Company upon transition:</p> <ul style="list-style-type: none"> - Classification and measurement of financial assets and financial liabilities - Measurement of loan losses (expected credit losses) - Accounting for loan fees and costs <p>The migration to the new accounting framework (Ind AS) is a complicated process involving multiple decision points upon transition. Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date.</p> <p>We identified transition date accounting as a key audit matter because of significant degree of management judgment and application on the areas noted above.</p>	<p>Our key audit procedures included:</p> <p>Design / controls</p> <ul style="list-style-type: none"> • Assessed the design, implementation and operating effectiveness of key internal controls over management's evaluation of transition date choices and exemptions availed in line with the principles under Ind AS 101. <p>Substantive tests</p> <ul style="list-style-type: none"> • Evaluated management's transition date choices and exemptions for compliance/acceptability under Ind AS 101. • Understood the methodology implemented by management to give impact on the transition. • Assessed the accuracy of the computations. • Assessed areas of significant estimates and management judgment in line with principles under Ind AS. • Compared the industry practice for various assumptions used by management in areas such as Expected Credit Loss model, classification of financial instruments, etc.

7. The other auditors of the component Motilal Oswal Commodities Broker Private Limited (MOCBPL, the company), vide their audit report on the financial statements of the component have reported the following Key Audit Matter which has been reproduced below:

Key audit matter	How the matter was addressed in our audit
<p>Legal and Regulatory Risk</p> <p>Refer Note 6 point 3 of the financial statements</p> <p>Following default at National Spot Exchange Limited (NSEL) in 2012 and initial investigations by Economic Offences Wing (EOW) and complaints received from investors against the broker of the now defunct spot exchange, NSEL and EOW in March and April 2015 had requested SEBI to take appropriate actions. However, In EOW report there was no allegation against MOCBPL.</p> <p>In this matter, SEBI has issued Show Cause Notice to MOCBPL in last financial year i.e. 2017-18 relating to NSEL scam, for which management has replied accordingly.</p> <p>SEBI vide its order dated 22 February 2019, rejected MOCBPL's registration application on the grounds that it is not fit and proper person to hold, directly or indirectly, the certificate of registration as commodity derivatives broker.</p>	<p>Following are the areas where risks are assessed & procedures were followed.</p> <ul style="list-style-type: none"> • Recording of Receivables and Dues - NSEL: After scrutinizing the books of accounts & discussion with the management it has been found that the amounts receivable from NSEL and due to the clients have direct nexus and MOCBPL has the role of a broker only. Hence, the amount receivable from Exchange has not been provided for doubtful debts as they are directly payable to the Clients. • Impact of SEBI order on the MOCBPL business: The Company has already ceased its Commodity Broking business from April 2018. Also, the order of SEBI signifies that MOCBPL's registration application as Commodities Broker may be rejected; however, the management doesn't plan to continue its Commodities Broking business under the company (MOCBPL). The company has also filed an appeal against the order of SEBI before the Securities Appellate Tribunal (SAT) and the same is currently pending. <p>The Company may have to refund the brokerage charged from the clients against which the management has already made provision in the books of accounts.</p>

INDEPENDENT AUDITOR'S REPORT *(Contd..)*

Key audit matter	How the matter was addressed in our audit
	<p>Our procedures with respect to approaching the KAM:</p> <ul style="list-style-type: none"> • Enquiring with Accounts and Finance Team: We have discussed with Finance team, Management and have scrutinized books of accounts. • Enquiring with Legal Team: We also discussed the matter with Legal Department and they have shared requisite opinion regarding the notices. • Assessing management's conclusions and ensuring that updates regarding the matter are informed to us on timely basis. <p>Our results: Based on the above procedures, whilst noting the inherent uncertainty with such legal matters, we concluded treatment of the matter as satisfactory.</p>

Information other than the Consolidated Financial Statements and Auditor's Report thereon

8. The Company's Board of Directors is responsible for the other information. The other information comprises the Chairman's message and Management discussion and analysis but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Board's report, which is expected to be made available to us after that date.

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

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

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

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

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

9. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group, and its associate companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

11. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associate.

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

12. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
13. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group and its associate (covered under the Act) have adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

17. We did not audit the financial statements of eight subsidiaries, whose financial statements reflects total assets of ₹ 514,010 lakhs and net assets of ₹ 91,528 lakhs as at 31 March 2019, total revenues of ₹ 81,542 lakhs and net cash outflows ₹ 10,486 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 798 lakhs for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and

INDEPENDENT AUDITOR'S REPORT *(Contd..)*

disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

Further, of these one subsidiary are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in their country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion and matters identified and disclosed under key audit matters section above, in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

18. We did not audit the financial statements two subsidiaries, whose financial statements reflects total assets of ₹ 1,405 lakhs and net assets of ₹ 1,328 lakhs as at 31 March 2019, total revenues of ₹ 370 lakhs and net cash inflows 155 lakhs amounting to for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, and matters identified and disclosed under key audit matters section above and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

19. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 14, on separate financial statements of the subsidiaries and associates, we report that the Holding Company, 17 subsidiary companies and 1 associate company covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to 9 subsidiary companies and one associate company covered under the Act, since none of such companies is a public company as defined under section 2(71) of the Act.
20. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, associates, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, associate company, none of the directors of the Group companies, its associate company covered under the Act, are disqualified as on 31 March 2019 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 Holding Company, and its subsidiary companies and associate company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I';

INDEPENDENT AUDITOR'S REPORT *(Contd.)*

- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates as detailed in Note 39 to the consolidated financial statements.;
 - ii. the Holding Company, its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019.;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and its associate companies during the year ended 31 March 2019;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai
Partner
Membership No.: 105782

Place: Mumbai
Date: 11 May 2019

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

ANNEXURE I

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Motilal Oswal Financial Services Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associate as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company and its 13 subsidiary companies, which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its 13 subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on 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 ('the Guidance Note') 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 the company's business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its 13 subsidiary companies as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its 13 subsidiary companies as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT *(Contd..)*

the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on IFCoFR of the 13 subsidiary companies and the Holding Company which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

9. We did not audit the IFCoFR in so far as it relates to six subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 511,562 lakhs and net assets of ₹ 89,472 lakhs as at 31 March 2019, total revenues of ₹ 79,461 lakhs and net cash outflows amounting to ₹ 10,549 for the year ended on that date, as considered in the consolidated financial statements. The IFCoFR in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai

Partner

Membership No.: 105782

Place: Mumbai

Date: 11 May 2019



CONSOLIDATED BALANCE SHEET

Particulars	Note No.	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
I. ASSETS				
1. Financial assets				
(a) Cash and cash equivalents	4	37,368	30,580	31,292
(b) Bank balance other than (a) above	5	31,538	14,792	15,361
(c) Receivables	6			
(I) Trade receivables		1,51,756	1,04,339	1,26,004
(II) Other receivables		5,527	4,830	2,454
(d) Loans	7	4,87,861	5,54,107	4,31,922
(e) Investments	8	2,68,591	2,80,718	2,32,714
(f) Other financial assets	9	3,728	2,062	3,625
Total financial assets (A)		9,86,369	9,91,428	8,43,372
2. Non-financial asset				
(a) Current tax assets (net)	10	1,823	2,962	3,127
(b) Deferred tax assets (net)	11	14,290	7,595	6,069
(c) Investment property	12	3,518	3,573	3,432
(d) Property, plant and equipment	13(a)	24,890	25,007	24,980
(e) Intangible assets under development	13(b)	11	11	–
(f) Other Intangible assets	13(c)	1,802	1,377	956
(g) Other non-financial assets	14	15,472	16,767	10,951
Total non-financial assets (B)		61,806	57,292	49,515
Total Assets (A+B)		10,48,175	10,48,720	8,92,887
II. LIABILITIES AND EQUITY				
Liabilities				
1. Financial liabilities				
(a) Payables	15			
(I) Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		–	–	–
(ii) total outstanding dues of creditor other than micro enterprises and small enterprises		1,39,062	1,32,039	1,03,079
(II) Other payables				
(i) total outstanding dues of micro enterprises and small enterprises		–	–	50
(ii) total outstanding dues of creditor other than micro enterprises and small enterprises		–	–	–
(b) Debt securities	16	2,58,160	2,89,744	2,89,915
(c) Borrowings (Other than Debt securities)	17	2,53,333	2,42,550	2,15,344
(d) Other financial liabilities	18	59,767	57,316	32,422
Total financial liabilities (A)		7,10,322	7,21,649	6,40,810
2. Non - financial liabilities				
(a) Current tax liabilities (net)	19	1,290	1,724	830
(b) Provisions	20	11,941	15,087	9,987
(c) Deferred tax liabilities (net)	21	12,148	14,878	11,771
(d) Other non - financial liabilities	22	3,051	3,286	4,401
Total non-financial liabilities (B)		28,430	34,975	26,989
3. Equity				
(a) Equity share capital	23	1,457	1,451	1,445
(b) Other equity	24	3,03,887	2,87,139	2,20,760
(c) Non-controlling interests		4,079	3,506	2,883
Total equity (C)		3,09,423	2,92,096	2,25,088
Total Liabilities and Equity (A+B+C)		10,48,175	10,48,720	8,92,887
Summary of significant accounting policies and other explanatory information to the consolidated financial statements	1-62			

This is the Consolidated Balance Sheet referred to in our report of even date

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

For and on behalf of the Board of Directors
Motilal Oswal Financial Services Limited

Sudhir N. Pillai
Partner
Membership Number: 105782

Motilal Oswal
Chairman and Managing Director
DIN : 00024503

Raamdeo Agarawal
Joint Managing Director
DIN : 00024533
Kailash Purohit
Company Secretary

Place : Mumbai
Date : 11th May 2019

Place : Mumbai
Date : 11th May 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS



Particulars	Note No.	For the year ended 31-Mar-19 ₹ in Lakhs	For the year ended 31-Mar-18 ₹ in Lakhs
1) INCOME			
(a) Revenue from operations			
(a) Interest income	25	80,576	80,030
(b) Dividend income	26	37	1,002
(c) Rental income	27	363	374
(d) Fees and commission income	28	1,51,447	1,61,237
(e) Net gain on fair value changes	29	8,025	25,028
(f) Other operating income	30	5,820	7,403
Total revenue from operations		2,46,268	2,75,074
(b) Other income	31	555	160
Total income (a+b) (1)		2,46,823	2,75,234
2) EXPENSES			
(a) Finance costs	32	51,685	52,843
(b) Fees and commission expense	33	46,164	49,069
(c) Impairment on financial instruments	34	6,485	7,812
(d) Employee benefits expense	35	50,177	49,208
(e) Depreciation and amortization expense	36	2,395	3,749
(f) Other expenses	37	51,478	29,645
Total expenses (2)		2,08,384	1,92,326
3) Profit before tax (3) = (1) - (2)		38,449	82,908
4) Tax expenses / (credit)	38		
(a) Current tax		18,426	18,797
(b) Deferred tax expenses / (credit)		(8,958)	1,984
(c) Short / (excess) provision for earlier years		(61)	(195)
Total tax expenses (4)		9,407	20,586
5) Profit after tax (5) = (3) - (4)		29,032	62,322
6) Share of profit from associates (net of taxes)		798	906
7) Profit after tax and share in profit of associates		29,830	63,228
8) Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
- Remeasurement of the post retirement benefit plans		190	617
- Fair value gain / (loss) of investment held through fair value through other comprehensive income		(470)	10,470
(b) Income tax relating to items that will not be reclassified to profit or loss		(10)	35
Total other comprehensive income, net of tax (8)		(290)	11,122
9) Total comprehensive income (9) = (7)+(8)		29,540	74,350
10) Net profit attributable to:			
Owners of parent		29,397	62,228
Non-controlling interests		433	1,000
11) Other comprehensive income attributable to:			
Owners of parent		(292)	11,120
Non-controlling interests		2	2
12) Total comprehensive income attributable to: (12) = (10)+(11)			
Owners of parent		29,105	73,348
Non-controlling interests		435	1,002
13) Earning per share (Re. 1 each)	43		
Basic (amount in ₹)		20.21	43.00
Diluted (amount in ₹)		19.67	42.32
Summary of significant accounting policies and other explanatory information to the consolidated financial statements	1-62		

This is the Consolidated Statement of Profit and loss referred to in our report of even date

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

For and on behalf of the Board of Directors
Motilal Oswal Financial Services Limited

Sudhir N. Pillai
Partner
Membership Number: 105782

Motilal Oswal
Chairman and Managing Director
DIN : 00024503
Shalibhadra Shah
Chief Financial Officer

Raamdeo Agarawal
Joint Managing Director
DIN : 00024533
Kailash Purohit
Company Secretary

Place : Mumbai
Date : 11th May 2019

Place : Mumbai
Date : 11th May 2019



CONSOLIDATED CASH FLOW STATEMENT

Particulars	For the year ended 31-Mar-19 ₹ in Lakhs	For the year ended 31-Mar-18 ₹ in Lakhs
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	38,439	82,908
Adjustments for:		
Add:		
Impairment on financial instruments	6,485	7,812
Depreciation and amortisation expense	2,395	3,749
Bad debts written off	29,556	7,370
Gratuity	755	1,235
Foreign Currency Translation Reserve	92	152
Employee Stock Option Expenditure	1,897	2,302
Profit from partnership gain	1,157	1,363
Less :		
Profit on sale of Investments	(8,025)	(25,028)
Profit on sale of property, plant and equipment (Net)	(2)	(10)
Interest Income	(67)	(59)
Dividend Income	(37)	(1,002)
Operating profit	72,645	80,792
Adjustment for working capital changes:		
(Increase)/decrease in trade receivables	(47,678)	21,093
(Increase) in other receivables	(697)	(2,376)
(Increase)/decrease in other financial assets	(1,666)	1,564
(Increase)/decrease in other non financial assets	1,295	(5,816)
(Increase)/decrease in loans	30,467	(1,36,183)
Increase in trade payables	7,023	28,960
(Decrease) in other payables	-	(50)
Increase in other financial liabilities	2,046	24,894
(Decrease) in other non financial liabilities	(234)	(1,115)
Increase/(decrease) in Provision	(3,711)	4,423
Increase in borrowings	10,783	27,205
(Decrease) in debt securities	(31,584)	(171)
Cash generated from operations	38,689	43,220
Direct taxes paid net (including MAT credit utilised)	(18,072)	(18,460)
Net cash generated from Operating activities (A)	20,617	24,760
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in Fixed deposit having maturity more than 3 months (Net of maturity)	(16,750)	576
Purchase of fixed assets	(2,659)	(4,082)
Purchase of Investments	(6,99,669)	(14,03,841)
Sale of Investments	7,19,352	13,90,566
Sale of Fixed Assets	13	51
Interest received	67	59
Dividend received	37	1,002
Net cash used in / generated from Investing activities (B)	391	(15,669)

CONSOLIDATED CASH FLOW STATEMENT *(Contd..)*

Particulars	For the year ended 31-Mar-19 ₹ in Lakhs	For the year ended 31-Mar-18 ₹ in Lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share capital including Securities premium	1,826	1,882
Payment of Dividend and Dividend Distribution Tax	(15,239)	(11,903)
Increase/(Decrease) in unpaid dividend	4	(8)
Investment by/(purchase) from minorities	(811)	226
Net cash used in / generated from Financing activities (C)	(14,220)	(9,803)
Net increase / (decrease) in cash and cash equivalents during the year (A+B+C)	6,788	(712)
Cash and cash equivalents as at beginning of the year	30,580	31,292
Cash and cash equivalents as at end of the year	37,368	30,580
Components of cash and cash equivalents (also refer note 4)		
Cash on hand	236	406
In Current accounts	26,344	29,867
Cheques in hand	—	2
Fixed Deposit with original maturity within 3 months	10,788	305
Total	37,368	30,580

Notes :

- The above Statement of Cash Flows has been prepared under indirect method as set out in Ind AS 7, 'Statement of Cash Flows', as specified in the Companies (Indian Accounting Standard) Rules, 2015.
- Figures in brackets indicate cash outflows.

This is the Statement of Consolidated Cash Flows referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

Sudhir N. Pillai

Partner

Membership Number: 105782

Place : Mumbai

Date : 11th May 2019

For and on behalf of the Board of Directors

Motilal Oswal Financial Services Limited

Motilal Oswal

Chairman and Managing Director

DIN : 00024503

Shalibhadra Shah

Chief Financial Officer

Place : Mumbai

Date : 11th May 2019

Raamdeo Agarawal

Joint Managing Director

DIN : 00024533

Kailash Purohit

Company Secretary



STATEMENT OF CHANGES IN EQUITY

(A) Equity share capital

Particulars	Equity share capital	
	Number of shares	Amount ₹ in Lakhs
As at 1 April 2017	14,44,57,476	1,445
Stock options exercised under ESOS	6,26,082	6
As at 31 March 2018	14,50,83,558	1,451
Stock options exercised under ESOS	5,96,800	6
As at 31 March 2019	14,56,80,358	1,457

(B) Other Equity

₹ in Lakhs

Particulars	Reserves and surplus									Items of other comprehensive income		Total other equity	Non-controlling interest	Total
	Statutory reserves	Capital redemption reserve	Securities premium	Employee stock options outstanding reserve	Capital Reserve (on consolidation)	General reserve	Debenture redemption reserve	Foreign currency translation reserve	Retained earnings	Equity instruments through other comprehensive income	Remeasurements of defined benefit plans			
Balance as at 1 April 2017	12,015	2,009	46,299	1,633	5,084	6,447	85	45	1,39,282	7,927	(66)	2,20,760	2,883	2,23,643
Total comprehensive income for the year	-	-	-	-	-	-	-	-	62,228	10,691	430	73,349	1,002	74,351
Dividends including dividend distribution tax	-	-	-	-	-	-	-	-	(11,095)	-	-	(11,095)	(808)	(11,903)
Transfer to capital redemption reserve	-	250	-	-	-	-	-	-	(191)	-	-	59	(59)	-
Transfer to statutory reserves	3,879	-	-	-	-	-	-	-	(3,879)	-	-	-	-	-
Transfer to Securities premium	-	-	618	(618)	-	-	-	-	-	-	-	-	-	-
Transfer to debenture redemption reserve	-	-	-	-	-	(1,473)	1,473	-	-	-	-	-	-	-
Exercise of employee stock options	-	-	1,876	-	-	-	-	-	-	-	-	1,876	-	1,876
Additions during the year	-	-	-	2,302	-	-	-	152	-	-	-	2,454	-	2,454
Investment by/ (purchased from) minority	-	-	-	-	-	-	-	-	-	-	-	-	224	224
Transfer to minorities	-	-	-	-	-	-	-	-	(264)	-	-	(264)	264	-
Balance as at 31 March 2018	15,894	2,259	48,793	3,317	5,084	4,974	1,558	197	1,86,081	18,618	364	2,87,139	3,506	2,90,645

STATEMENT OF CHANGES IN EQUITY (Contd..)

₹ in Lakhs

Particulars	Reserves and surplus									Items of other comprehensive income		Total other equity	Non-controlling interest	Total
	Statutory reserves	Capital redemption reserve	Securities premium	Employee stock options outstanding reserve	Capital Reserve(on consolidation)	General reserve	Debenture redemption reserve	Foreign currency translation reserve	Retained earnings	Equity instruments through other comprehensive income	Remeasurements of defined benefit plans			
Balance as at 31 March 2018	15,894	2,259	48,793	3,317	5,084	4,974	1,558	197	1,86,081	18,618	364	2,87,139	3,506	2,90,645
Total comprehensive income for the year	-	-	-	-	-	-	-	-	29,397	(415)	123	29,105	435	29,540
Dividends including dividend distribution tax	-	-	-	-	-	-	-	-	(15,239)	-	-	(15,239)	-	(15,239)
Transfer to capital redemption reserve	-	245	-	-	-	-	-	-	(245)	-	-	-	-	-
Transfer to statutory reserves	42	-	-	-	-	-	-	-	(42)	-	-	(0)	-	(0)
Transfer from statutory reserves	(12,124)	-	-	-	-	12,124	-	-	-	-	-	-	-	-
Transfer to Securities premium	-	-	899	(899)	-	-	-	-	-	-	-	-	-	-
Transfer to debenture redemption reserve	-	-	-	-	-	(1,794)	1,794	-	-	-	-	(0)	-	(0)
Exercise of employee stock options	-	-	1,820	-	-	-	-	-	-	-	-	1,820	-	1,820
Additions during the year	-	-	-	1,897	-	-	-	92	1	-	-	1,990	-	1,990
Investment by/ (purchased from) minority	-	-	-	-	-	-	-	-	-	-	-	-	(790)	(790)
Transfer to minorities	-	-	-	-	-	-	-	-	(928)	-	-	(928)	928	-
Balance as at 31 March 2019	3,812	2,504	51,512	4,315	5,084	15,304	3,352	289	1,99,025	18,203	487	3,03,887	4,079	3,07,966

The accompanying notes are integral part of these financial statements.

This is the Statement of Changes in Equity referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Sudhir N. Pillai
Partner
Membership Number: 105782

Place : Mumbai
Date : 11th May 2019

For and on behalf of the Board of Directors
Motilal Oswal Financial Services Limited

Motilal Oswal
Chairman and Managing Director
DIN : 00024503

Shalibhadra Shah
Chief Financial Officer

Place : Mumbai
Date : 11th May 2019

Raamdeo Agarawal
Joint Managing Director
DIN : 00024533

Kailash Purohit
Company Secretary



NOTE 1 : CORPORATE INFORMATION

Motilal Oswal Financial Services Limited (“MOFSL” or ‘the Holding Company’) is a public limited company and incorporated under the provisions of Companies Act. The Company is domiciled in India and the addresses of its registered office and principal place of business are disclosed in the introduction to the annual report. The Holding Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

Motilal Oswal Financial Services Limited and its subsidiaries (collectively, the Group) are engaged in stock broking, asset management and mutual funds, private equity, investment banking, home finance, wealth management services, distribution of financial products, proprietary investments and other activities in financial services.

These consolidated financial statements contain financial information of the Group and were authorized for issue by the Board of Directors on 11 May 2019.

Information on the Group’s structure is provided in note 59.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of preparation

(i) Compliance with Ind AS

The consolidated financial statements of the Group comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (“the Act”) read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

The consolidated financial statements up to and including the year ended 31 March 2018 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) under the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), and other generally accepted accounting principles in India (collectively referred to as “Indian GAAP” or “Previous GAAP”)

These consolidated financial statements are the first financial statements of the Group under Ind AS. Refer note 61 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group’s financial position, financial performance and cash flows.

The transition to Ind AS has been carried out in accordance with Ind AS 101 First Time Adoption of Indian Accounting Standards. Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2017.

Accounting policies have been applied consistently over all the periods presented in these consolidated financial statements, except where the Group has applied certain accounting policies and exemptions upon transition to Ind AS.

(ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- Certain Financial instruments are measured at fair values;
- Assets held for sale – measured at fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value; and
- Share based payments

(iii) Preparation of consolidated financial statements

The Holding Company is covered in the definition of Non-Banking Financial Group as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division III of Schedule III to the Companies Act, 2013 on 11 October 2013, the Holding Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 55.

(iv) Use of estimates and judgements

The preparation of consolidated financial statements in conformity with Ind AS requires management to make estimates, judgements, and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities (including contingent liabilities) and disclosures as of the date of consolidated financial statements and the reported amounts of revenue and expenses for the reporting period. Actual results could differ from these estimates. Accounting estimates and underlying assumptions are reviewed on an ongoing basis and could change from period to period. Appropriate changes in estimates are recognized in the period in which the Group becomes aware of the changes in circumstances surrounding the estimates. Any revisions to accounting estimates are recognized prospectively in the period in which the estimate is revised and future periods. The estimates and judgements that have significant impact on carrying amount of assets and liabilities at each balance sheet date are discussed at note 3.

2.2. Principles of consolidation and equity accounting

(i) Subsidiaries

The consolidated financial statements has comprised financial statements of the Company and its subsidiaries, subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions within the Group are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of changes in equity and balance sheet respectively. Statement of Profit and Loss including Other Comprehensive Income (OCI) is attributable to the equity holders of the Holding Company and to the non-controlling interest basis the respective ownership interest and such balance is attributed even if this results in controlling interest is having a deficit balance.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognized at cost.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

(iv) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying -amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

2.3. Revenue Recognition

The Group recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115, Revenue from Contracts with Customers, to determine when to recognize revenue and at what amount. Revenue is measured based on the consideration specified in the contract with a customer. Revenue from contracts with customers is recognised when services are provided and it is highly probable that a significant reversal of revenue is not expected to occur.

Revenue is measured at fair value of the consideration received or receivable. Revenue is recognized when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

When (or as) a performance obligation is satisfied, the Group recognizes as revenue the amount of the transaction price (excluding estimates of variable consideration) that is allocated to that performance obligation.

The Group applies the five-step approach for recognition of revenue:

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

(i) Brokerage fee income

It is recognised on trade date basis and is exclusive of goods and service tax and securities transaction tax (STT) wherever applicable.

(ii) Interest income

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial asset through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial asset after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).

(iii) Portfolio management fee income

Performance obligations are satisfied over a period of time and portfolio management fees are recognized in accordance with the Portfolio Management Agreement entered with respective clients, which is as follows:

- a) Processing fees is recognized on upfront basis in the year of receipt;
- b) Management fees is recognized as a percentage of the unaudited net asset value at the end of each month;
- c) Return based fees is recognized as a percentage of annual profit, in accordance with the terms of the agreement with clients on the completion of the period.

(iv) Mutual fund management fee income

Performance obligations are satisfied over a period of time and mutual fund management fee is recognized on monthly basis in accordance with Investment Management Agreement and SEBI (Mutual Fund) Regulations, 1996, based on daily average assets under management (AUM) of the Schemes of Motilal Oswal Mutual Fund.

(v) Private equity fund management fee income

Performance obligations are satisfied over a period of time and private equity fund management fee is recognized on monthly basis in accordance with Private Placement Memorandum based on capital commitment / capital contribution of the Fund.

(vi) Alternative investment fund management fee income

Performance obligations are satisfied over a period of time and alternate investment management fee is recognized on monthly basis in accordance with Private Placement Memorandum.

(vii) Investment advisory fees

Performance obligations are satisfied over a period of time and investment advisory fee is recognized on monthly basis in accordance with the terms of the contract with the clients.

(viii) Research and advisory fees

Performance obligations are satisfied over a period of time and investment advisory fee is recognized on monthly basis in accordance with the terms of the contract with the clients.

(ix) Dividend income

Dividend income is recognized in the statement of profit or loss on the date that the Group's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be reliably measured. This is generally when the shareholders approve the dividend.

2.4. Distribution cost

Portfolio Management Services

Distribution cost for Portfolio Management Services are charged to Statement of Profit and Loss on accrual basis. Distribution cost paid in advance is amortised over the contractual period. In respect of Portfolio Management Services, the Group has

paid / accrued commission to the distributors and has the right of recovery of such commission under pre-defined circumstances (which includes investor exit up-to the “commitment period” as per the respective agreement entered with investor). On this account, an asset (prepaid expenses) is recognised at the time of actual payment or becoming due for payment and charged evenly to the Statement of Profit and Loss over the commitment period of the respective investor.

Alternate Investment Fund Services

Distribution cost for Alternate Investment Fund Management Services are charged to Statement of Profit and Loss on accrual basis. In respect of Alternate Investment Fund Services, the Group has paid / accrued commission to the distributors and has the right of recovery of such commission under pre-defined circumstance. On this account, an asset (prepaid expenses) is recognised at the time of actual payment or becoming due for payment and charged evenly to the Statement of Profit and Loss over the period of the scheme.

Fund related expenses

New fund offer expenses

Expenses relating to initial issue of Mutual Fund Schemes of the Fund are charged to the Statement of Profit and Loss in the year in which such expenses are incurred which is in compliance with SEBI (Mutual Funds) Regulations, 1996.

Recurring fund expenses

Expenses incurred (inclusive of advertisement / brokerage expenses) on behalf of schemes of Motilal Oswal Mutual Fund till 22nd October 2019 are recognised in the Statement of Profit and Loss unless considered recoverable from the schemes of the Fund in accordance with the provisions of SEBI (Mutual Fund) Regulations, 1996.

2.5. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current Tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred Tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for, if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.6. Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used by the group for business purposes, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2.7. Leases

As a lessee – Operating lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are

charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor – Operating lease

Lease income from operating leases where the Group is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

2.8. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.9. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognizes the difference as follows:

- a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
- b) In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

When the Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

Fair value of financial instruments

Some of the Group's assets and liabilities are measured at fair value for financial reporting purpose. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date regardless of whether that price is directly observable or estimated using another valuation technique.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 56.

Financial assets

(i) Classification and subsequent measurement

The Group has applied Ind AS 109 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

1. Financial assets carried at amortised cost

a financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

2. Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

All investments in equity instruments classified under financial assets are initially measured at fair value, the Group may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Group makes such election on an instrument-by-instrument basis. Fair value changes on an equity instrument is recognised as revenue from operations in the Statement of Profit and Loss unless the Group has elected to measure such instrument at FVOCI. Fair value changes excluding dividends, on an equity instrument measured at FVOCI are recognised in OCI. Amounts recognised in OCI are not subsequently reclassified to the Statement of Profit and Loss. Dividend income on the investments in equity instruments are recognised as 'Revenue from operations' in the Statement of Profit and Loss.

3. Investments in mutual funds

Investments in mutual funds are measured at fair value through profit and loss (FVTPL).

(ii) Impairment

The Group recognizes impairment allowances using Expected Credit Losses ("ECL") method on all the financial assets that are not measured at FVTPL:

ECL are probability-weighted estimate of credit losses. They are measured as follows:

- Financials assets that are not credit impaired – as the present value of all cash shortfalls that are possible within 12 months after the reporting date.
- Financials assets with significant increase in credit risk - as the present value of all cash shortfalls that result from all possible default events over the expected life of the financial assets.
- Financials assets that are credit impaired – as the difference between the gross carrying amount and the present value of estimated cash flows.

Financial assets are written off / fully provided for when there is no reasonable of recovering a financial assets in its entirety or a portion thereof.

However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial asset is derecognised only when :

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

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

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

Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(ii) Subsequent measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

2.10. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.11. Financial guarantee contracts and loan commitments

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognized in accordance with the principles of Ind AS 115.

2.12. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition and installation of the assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to IndAS

On transition to IndAS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful life prescribed under Schedule II to the Companies Act, 2013. The Group provides pro-rata depreciation from the date of installation till date the assets are sold or disposed. Leasehold improvements are amortised over the term of underlying lease.

Assets	Useful life
Building	60 years
Furniture and Fixtures	10 years
Office Equipments	5 years
Computers and Network Equipments	3 to 6 years
Plant and Machinery	15 years
Electrical Equipments	10 years
Vehicles	8 to 10 years
Leasehold Improvements	Over the primary lease period or useful life. Whichever is less.

Derecognition:

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit and loss when the asset is derecognized.

2.13. Intangible assets

Measurement at recognition:

Intangible assets are recognized where it is probable that the future economic benefit attributable to the assets will flow to the Group and its cost can be reliably measured. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment, if any.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognized as at April 01, 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Expenditure incurred on acquisition / development of intangible assets which are not put / ready to use at the reporting date is disclosed under intangible assets under development. The Group amortizes intangible assets on a straight-line basis over

the five years commencing from the month in which the asset is first put to use. The Group provides pro-rata amortization from the day the asset is put to use.

Asset	Useful life
Computer Software	5 years
Licences	Over the license period

Derecognition:

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized in the statement of profit and loss when the asset is derecognized

2.14. Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication based on internal / external factors, that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount of asset is the higher of its fair value or value in use. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects the current market assessment of time value of money and the risks specific to it. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An Impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the assets carrying amount would have been determined, net of depreciation or amortization, had no impairment loss been recognised.

2.15. Provisions and contingencies:

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.16. Employee benefits

(i) Short-term obligations

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered. The Group recognises the costs of bonus payments when it has a present obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

(ii) Post-employment obligations

Defined contribution plan:

Contribution paid / payable to the recognised provident fund, which is a defined contribution scheme, is charged to the Statement of Profit and Loss in the period in which they occur.

Defined benefits plan:

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognised actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

(iii) Other long-term employee benefit obligations

Heritage club benefit

Heritage club benefits are recognised as liability at the present value of defined benefits obligation as at the Balance Sheet date. The defined obligation benefit is calculated at the Balance Sheet date by an independent actuary using the projected unit credit method.

Compensated absences

The Group does not have a policy of encashment of unavailed leaves for its employees but are permitted to carry forward subject to a prescribed maximum days. Provision is made for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

2.17. Share-based payments

Employee Stock Option Scheme (ESOS)

The Employees Stock Options Scheme ("the Scheme") has been established by the Group. The Scheme provides that employees are granted an option to subscribe to equity share of the Group that vest on the satisfaction of vesting conditions. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions. Information about the valuation techniques and inputs used in determining the fair value of options disclosed in note 52

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

2.18. Foreign currency translation

(i) Functional and presentation currency

Items included in consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

(ii) Translation and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in profit or loss.

2.19. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.20. Earnings per share

a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period (excluding other comprehensive income) attributable to equity share holders of the Group by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus element in equity shares issued during the year.

b) Diluted earnings per share

Diluted earnings per share is computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.21. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker of the Group.

The power to assess the financial performance and position of the Group and make strategic decisions is vested in the managing director who has been identified as the Chief Operating Decision Maker.

The primary business of the Group comprises of "Broking and other related activities", "Fund based activities", "Asset Management and Advisory", "Investment Banking services" and "Home Finance". The business segments have been identified considering the nature of services, the differing risks and returns, the organization structure and the internal financial reporting system. Broking and other related activities includes Broking services to clients, research and advisory services, financial product

distribution, depository services. Fund based activities include investment activities (Investment in securities and property) and financing activity. Asset management and advisory includes fee based services for management of assets. Investment Banking represents results of raising financial capital by underwriting or acting as the client's agent in the issuance of securities. Home Finance represents interest and other related income from affordable housing finance business.

2.22. Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakhs as per the requirements.

2.23. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

2.24. Business Combination under Common Control

Business combinations under common control are accounted for using the pooling of interest method as at the date of the acquisition, which is the date at which control is transferred to the Company. The consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at carrying value on their acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for net identifiable assets acquired and liabilities assumed.

2.25. Recent accounting developments

Standards issued but not yet effective

Ind AS 116, Leases

On 30 March 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases as part of the Companies (Indian Accounting Standards) Amendment Rules, 2019. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The effective date for the adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value.

The amendment is applicable to the Group from 1 April 2019. The Group is evaluating the requirement of the amendment and the impact on the consolidated financial statements.

Amendments to existing Ind AS:

Amendment to Ind AS 12, Income taxes:

On 30 March 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Group is currently evaluating the effect of this amendment on the standalone consolidated financial statements.

Amendment to Ind AS 19, plan amendment, curtailment or settlement:

On 30 March 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Group does not have any impact on account of this amendment.

Amendments to Ind AS 109 Financial Instruments:

A financial asset would be classified and measured at amortised cost or at Fair value through Other Comprehensive Income (FVOCI) if its contractual cash flows are solely in the nature of principal and interest on the principal amount outstanding (SPPI criterion). An exception has been prescribed to the classification and measurement requirements with respect to the SPPI criterion for financial assets that:

- Have a prepayment feature which results in a negative compensation.
- Apart from the prepayment feature, other features of the financial asset would have contractual cash flows which would meet the SPPI criterion, and

- The fair value of the prepayment feature is insignificant when the entity initially recognises the financial asset. If this is impracticable to assess based on facts and circumstances that existed on initial recognition of the asset, then the exception would not be available. Such financial assets could be measured at amortised cost or at FVOCI based on the business model within which they are held.

The amendments that are not yet effective, made to the following existing standards, does not have any impact on the Group's financial statements:

- Ind AS 23 Borrowing Costs
- Ind AS 28 Investments in Associate and Joint Ventures
- Ind AS 103 Business Combinations
- Ind AS 111 Joint Arrangements

NOTE 3 : KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- Provision and contingent liability:** On an ongoing basis, Group reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in consolidated financial statements. Loss contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the consolidated financial statements. Contingencies the likelihood of which is remote are not disclosed in the consolidated financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.
- Allowance for impairment of financial asset:** Judgements are required in assessing the recoverability of overdue loans and determining whether a provision against those loans is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.
- Recognition of deferred tax assets -** Deferred tax assets are recognised for unused tax-loss carryforwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.
- Defined benefit plans -** The cost of defined benefit plans and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long - term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- Stock based compensation –** The Group account for stock-based compensation by measuring and recognizing as compensation expense the fair value of all share-based payment awards made to employees based on estimated grant date fair values. The determination of fair value involves a number of significant estimates. The Group uses the Black Scholes option pricing model to estimate the value of employee stock options which requires a number of assumptions to determine the model inputs. These include the expected volatility of Group's stock and employee exercise behavior which are based on historical data as well as expectations of future developments over the term of the option. As stock-based compensation expense is based on awards ultimately expected to vest. Management's estimate of exercise is based on historical experience but actual exercise could differ materially as a result of voluntary employee actions and involuntary actions which would result in significant change in our stock-based compensation expense amounts in the future.
- Property, plant and equipment and Intangible Assets -** Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Group's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

NOTE 4 : CASH AND CASH EQUIVALENTS

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Cash on hand	236	406	63
Balances with banks			
In current accounts	26,344	29,867	30,992
Cheques in hand	–	2	173
Fixed deposit with bank (maturity within 3 months)*	10,788	305	64
Total	37,368	30,580	31,292

NOTE 5 : BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Fixed Deposit with original maturity more than 3 months but less than 12 months*	25,560	14,068	14,196
Fixed Deposit with original maturity more than 12 months*	4,407	575	1,145
Accrued interest on fixed deposits (maturity more than 12 months)	1,552	127	5
Unpaid dividend account	19	22	15
Total	31,538	14,792	15,361

* Fixed deposits are pledged with exchange and banks for meeting margin requirements and for obtaining bank guarantee respectively.

NOTE 6 : RECEIVABLES

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
(i) Trade receivables			
a) Secured, considered good *	83,523	66,344	72,168
b) Unsecured, considered good	69,351	38,812	54,107
Less : Allowances for impairment losses	(1,118)	(817)	(271)
	1,51,756	1,04,339	1,26,004
(ii) Other receivables			
a) Rent receivable	51	–	
b) EMI / Pre EMI receivables on home loans	5,470	3,825	535
c) Insurance claim receivable	–	96	150
d) Other	6	909	1,769
	5,527	4,830	2,454
Total	1,57,283	1,09,169	1,28,458

* Secured against securities given as collateral by the customer

1) Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less loss allowances. The Group applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

the preceding three to five years on the total balance of non-credit impaired trade receivables. The Group considers a trade receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganization. When a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement. In line with the Group's historical experience, and after consideration of current credit exposures, the Group does not expect to incur any credit losses and has not recognised any ECLs in the current year.

- 2) No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- 3) Trade receivables in case of the Group includes ₹ 24,994 Lakhs (Previous year ₹ 25,179 Lakhs) receivable from National Spot Exchange Limited on behalf of customers and the same is also shown as Other Trade payable to customers at ₹ 24,576 Lakhs (Previous year ₹ 24,759 Lakhs) which will become due only on receipt from National Spot Exchange Limited.

NOTE 7 : LOANS

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
(A) Loans- At amortised cost			
Home loans	4,35,704	4,80,957	4,08,970
Loans repayable on demand	18,639	18,507	23,854
Loans to employees	409	291	1,652
Margin trading facility	47,561	62,566	-
Interest accrued	3,118	3,258	2,279
Total (A) Gross	5,05,431	5,65,579	4,36,755
Less : Impairment loss allowance	(17,570)	(11,472)	(4,833)
Total (A) Net	4,87,861	5,54,107	4,31,922
(B) Secured by tangible assets	5,00,866	5,45,544	4,12,723
Unsecured	4,565	20,035	24,032
Total (B) Gross	5,05,431	5,65,579	4,36,755
Less : Impairment loss allowance	(17,570)	(11,472)	(4,833)
Total (B) Net	4,87,861	5,54,107	4,31,922
(C) Loans in India			
Public sector	-	-	-
Others	5,05,431	5,65,579	4,36,755
Total (C) Gross	5,05,431	5,65,579	4,36,755
Less : Impairment loss allowance	(17,570)	(11,472)	(4,833)
Total (C) Net	4,87,861	5,54,107	4,31,922

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Loan book & ECL Movement Notes :

1(a) Loan book movement

Particulars	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs
Opening	5,54,107	4,31,922
Origination of new loan	389	1,73,948
Write-offs during the year	(29,556)	(7,370)
Repayments received during the year	(37,079)	(44,393)
Closing	4,87,861	5,54,107

1(b) Break - up of loans under

Particulars	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs
Low credit risk (Stage1)	4,19,397	5,03,589
Significant increase in credit risk (Stage2)	28,861	28,528
Credit impaired (Stage3)	39,603	21,990
Closing	4,87,861	5,54,107

1(c) ECL movement

Particulars	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs
Opening	11,472	4,833
ECL impact due to Write-offs	(2,301)	(393)
Addition during the year	8,399	7,032
Closing	17,570	11,472

1(d) Break - up of ECL under

Particulars	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs
Low credit risk (Stage1)	3,384	3,283
Significant increase in credit risk (Stage2)	4,289	3,359
Credit impaired (Stage3)	9,897	4,830
Closing	17,570	11,472

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

NOTE 8 : INVESTMENT

Sr. No.	Particulars	As at 31-Mar-19		As at 31-Mar-18 ₹ in Lakhs		As at 1-Apr-17 ₹ in Lakhs	
		(Units)	(Amount ₹ in Lakhs)	(Units)	(Amount ₹ in Lakhs)	(Units)	(Amount ₹ in Lakhs)
I	Investments at amortised cost						
	Equity Instruments - Unquoted - Fully paid-up						
	MF utilities India Private Limited	5,00,000	5	5,00,000	5	5,00,000	5
	Debentures and Bonds						
	17% Non convertible debentures Reddy Housing Private Limited						700
	Total (I)		5		5		705
II.	Investments at fair value through profit and loss account (FVTPL)						
(a)	Equity Instruments - Quoted - Fully paid-up						
	Investment in MAS financial	–	–	–	–	–	16,500
	Equity Instruments - Unquoted - Fully paid-up						
	Shriram New Horizons Limited	7,50,400	1,013	7,51,013	1,013	7,51,013	1,013
	Less : Impairment allowance on invesment		(1,013)		(1,013)		(400)
	Shubham Housing Development Finance Co. Private Limited	2,41,652	3,000	2,41,652	2,818	21,392	1,782
	Total (a)		3,000		2,818		18,895
(b)	Preference Shares - Quoted - Fully paid-up						
	14.625% Cumulative redeemable shares of Edelwiess Finance and Investment Limited	–	–	–	–	32,64,500	486
	Preference Shares - Unquoted - Fully paid-up						
	Compulsory Convertible shares of Shubham Housing Development Finance Co. Private Limited	–	–	–	–	2,20,260	1,859
	Total (b)		–		–		2,345
(c)	Mutual Funds (Equity) - Quoted - Fully paid-up						
	Motilal Oswal Mutual Fund - Motilal Oswal MOST Shares M100 ETF GO	5,07,650	95	5,07,650	103	5,07,650	96
	Motilal Oswal Mutual Fund-Motilal Oswal MOST Shares NASDAQ 100 ETF -GO	18,330	91	18,330	91	18,330	64
	Most Shares M50 ETF	59,499	67	59,499	57	59,499	52
	Kotak Mahindra MF - Kotak Banking ETF - Dividend Payout Option	17,889	56	–	–	–	–
	Motilal Oswal Mutual Fund - Motilal Oswal MOST Shares M100 ETF GO	2,27,920	43	–	–	–	–
	Motilal Oswal Mutual Fund-Motilal Oswal MOST Shares NASDAQ 100 ETF -GO	3,78,201	41	–	–	–	–
	Reliance Etf Gold Bees	675	19	–	–	–	–
	SBI-ETF Nifty Next 50	44,978	53	–	–	–	–
	Motilal Oswal NASDAQ 100 FOF	2,00,000	21	–	–	–	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Sr. No.	Particulars	As at 31-Mar-19		As at 31-Mar-18 ₹ in Lakhs		As at 1-Apr-17 ₹ in Lakhs	
		(Units)	(Amount ₹ in Lakhs)	(Units)	(Amount ₹ in Lakhs)	(Units)	(Amount ₹ in Lakhs)
	Mutual Funds (Equity) -Unquoted - Fully paid-up						
	Motilal Oswal Most Focused Multicap 35 Fund (Direct Plan - Growth, Dividend Reinvestment and Direct Plan Dividend Payout)	23,00,32,257	62,632	28,21,15,578	89,525	26,26,91,489	72,352
	Most focused midcap 30 fund (Direct Plan - Growth, Dividend Reinvestment and Direct Plan Dividend Payout)	10,91,30,459	29,569	2,64,94,444	23,783	6,82,19,819	17,173
	Motilal Oswal Most Focused Multicap 25 Fund (Direct Plan - Growth, Dividend Reinvestment)	6,42,80,248	14,942	6,42,80,248	14,128	11,34,879	6,742
	Most Focused Long term Fund	1,90,816	35	1,90,816	36	1,90,816	29
	Motilal Oswal Most Focused Dynamic Equity Fund	5,00,000	63	5,00,000	61	5,00,000	54
	Motilal Oswal Equity Hybrid Fund - Direct (G)	5,00,000	52	-	-	-	-
	Mutual Funds (Debt) - Unquoted - Fully paid-up						
	Investment in Short Term Ultra Bond	8,76,376	111	8,76,376	121	8,76,376	114
	Reliance Liquid Fund-Treasury Plan -Growth Plan Growth Option	3,19,337	12,598	3,19,338	13,476	3,19,338	12,627
	Reliance Liquidity Fund-Growth Plan-Growth Option	2,24,102	1,897	2,24,102	5,839	2,24,102	5,473
	Birla Sunlife Cash Plus	28,14,162	8,455	28,14,162	7,848	-	-
	Principal Cash Management Fund	-	-	4,66,795	7,900	-	-
	Motilal Oswal Liquid Fund - Direct (G)	5,00,000	51	-	-	-	-
	Reliance Banking and PSU Debt FD-Dir Pl-Growth	13,29,06,806	18,067	13,29,06,806	16,750	13,29,06,806	15,726
	Reliance Medium Term Fund - Direct Gr Pl-Gr Option	1,51,18,164	6,062	1,51,18,164	5,621	1,51,18,164	5,245
	ICICI Pru money market - Direct plan	18,71,220	5,172	22,06,429	5,303	-	-
	Peerless liquid fund - Direct plan Growth	-	-	26,353	504	-	-
	Kotak floater short term - Direct plan Growth	1,36,066	5,149	2,68,086	7,635	-	-
	Religare Liquid	-	-	3,13,919	7,500	-	-
	UTI money market fund - Direct Growth	1,71,136	5,238	4,03,100	7,849	-	-
	HDFC Cash Management Liquid Units	76,861	2,827	-	-	-	-
	Unrealised gain	-	-	-	-	-	-
	Kotak Saving Fund Direct Plan- Growth	82,91,241	2,533	-	-	-	-
	Kotak Saving Fund Direct Plan- Growth 2	82,82,836	2,531	-	-	-	-
	Reliance medium term fund - direct weekly dividend	-	-	-	-	3,81,12,154	6,525
	Motilal Oswal Most Ultra Short Term Bond Fund - Direct Plan-Growth option	-	-	-	-	7,71,30,737	10,000
	Franklin India Ultra Short Bond Fund Super Institutional Plan - Direct	-	-	-	-	5,58,95,345	5,650

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Sr. No.	Particulars	As at 31-Mar-19		As at 31-Mar-18 ₹ in Lakhs		As at 1-Apr-17 ₹ in Lakhs	
		(Units)	(Amount ₹ in Lakhs)	(Units)	(Amount ₹ in Lakhs)	(Units)	(Amount ₹ in Lakhs)
	Invesco India Medium Term Bond Fund - Direct Plan Annual	-	-	-	-	4,82,959	5,820
	Motilal Oswal India Fund	-	0	-	0	-	0
	Total (c)		1,78,470		2,14,130		1,63,742
(d)	Investment in Alternative Investment funds (Equity) - Unquoted - Fully paid-up						
	Motilal Oswal Focused Growth Opportunities Fund	72,80,244	1,100	86,37,026	1,255	61,23,940	1,071
	Motilal Oswal Focused Growth Opportunities Fund (Carry Units)	25,287	7	30,000	3	30,000	1
	Motilal Oswal Focused Multicap Opportunities Fund	1,10,87,045	1,202	1,11,69,545	1,174	30,00,000	7
	Motilal Oswal Focused Multicap Opportunities Fund (Carry units)	1,00,000	11	1,00,000	10	-	0
	Motilal Oswal Select Opportunities fund	99,85,273	1,086	66,87,757	645	-	-
	Motilal Oswal Select Opportunities fund (Carry units)	1,00,000	11	1,00,000	10	-	-
	Motilal Oswal Focused Business Advantage Fund	1,00,00,000	1,178	1,00,00,000	1,068	-	-
	Motilal Oswal Focused Business Advantage Fund (Carry units)	1,00,000	12	1,00,000	11	-	-
	Motilal Oswal Focused Emergence Fund	1,28,02,656	1,050	87,22,690	823	-	-
	Motilal Oswal Rising India Fund	97,49,870	1,033	30,00,000	301	-	-
	Total (d)		6,690		5,300		1,079
(e)	Partnership Firm/LLP - Real estate funds - Unquoted						
	Contrarian Vriddhi Fund I LLP	10,00,00,000	138	10,00,00,000	100	-	60
	Total (e)		138		100		60
(f)	Associates - Real estate funds- Unquoted						
	India Reality Excellance Fund II LLP	10,000	5,647	10,000	7,768	10,000	11,954
	Total (f)		5,647		7,768		11,954
(g)	Private Equity Funds - Unquoted						
	Reliance Alternative Investment Fund - Private Equity Scheme I	5,83,470	62	5,83,470	62	7,30,968	109
	Aditya Birla Private Equity - Fund I	150	66	150	69	67,213	101
	India Business Excellence Fund	475	6,058	475	6,188	475	6,916
	India Business Excellence Fund - C Class	0	0	0	0	0	0
	India Business Excellence Fund-I	200	1	-	0	-	0
	India Business Excellence Fund II	8,18,000	12,305	8,18,000	12,328	8,18,000	9,062
	India Business Excellence Fund II - C Class	997	10	997	10	997	10
	India Business Excellence Fund III	29,76,095	12,717	17,00,000	5,310	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Sr. No.	Particulars	As at 31-Mar-19		As at 31-Mar-18 ₹ in Lakhs		As at 1-Apr-17 ₹ in Lakhs	
		(Units)	(Amount ₹ in Lakhs)	(Units)	(Amount ₹ in Lakhs)	(Units)	(Amount ₹ in Lakhs)
	Real Estate Funds - Unquoted						
	Investment in India Realty Excellence Fund I	–	0	1,580	59	1,580	2,780
	Investment in India Realty Excellence Fund III	97,92,497	10,208	65,67,799	6,288	49,90,696	5,142
	India Realty Excellence Fund IV	35,00,000	3,500	–	–	49,90,696	–
	Total (g)		44,927		30,314		24,120
	Total (II) (a+b+c+d+e+f+g)		2,38,872		2,60,430		2,22,195
III.	Investment at fair value through other comprehensive income FVOCI						
	AU Finance India Limited	32,81,796	19,546	32,81,796	20,283	32,81,796	9,814
	Investment through Portfolio Management Services (PMS)						
	Aegis Logistics Ltd	1,02,183	208	–	–	–	–
	Ajanta Pharma Ltd	216	2	–	–	–	–
	Alkem Laboratories Ltd	11,026	193	–	–	–	–
	Asian Paints Ltd	345	5	–	–	–	–
	Astral Poly Technik Ltd	88	1	–	–	–	–
	AU Small Finance Bank Ltd	1,646	10	–	–	–	–
	Axis Bank Ltd	2,088	16	–	–	–	–
	Bajaj Finance Ltd	17,397	526	–	–	–	–
	Bajaj Finserv Ltd	168	12	–	–	–	–
	Balkrishna Industries Ltd	425	4	–	–	–	–
	Bayer Cropscience Ltd	1,971	87	–	–	–	–
	Bhansali Engineering Polymers Ltd	1,417	1	–	–	–	–
	Bharat Forge Ltd	60,282	309	–	–	–	–
	Bharat Petroleum Corporation Ltd	880	3	–	–	–	–
	Blue Star Ltd	167	1	–	–	–	–
	Bosch Ltd	2,111	384	–	–	–	–
	Britannia Industries Ltd	224	7	–	–	–	–
	Canfin Homes Ltd	4,067	14	–	–	–	–
	Cholamandalam Investment And Finance Company Ltd	742	11	–	–	–	–
	City Union Bank Ltd	2,70,902	555	–	–	–	–
	Colgate Palmolive (India) Ltd	19,039	240	–	–	–	–
	Container Corporation Of India Ltd	51,578	271	–	–	–	–
	Crompton Greaves Consumer Electrcials Ltd	786	2	–	–	–	–
	Cummins India Ltd	29,413	219	–	–	–	–
	DCB Bank Ltd	2,852	6	–	–	–	–
	Eicher Motors Ltd	2,178	448	–	–	–	–
	Emami Ltd	55,097	220	–	–	–	–
	Endurance Technologies Ltd	168	2	–	–	–	–
	Engineers India Ltd	60,206	71	–	–	–	–
	ERIS Lifesciences Ltd	271	2	–	–	–	–
	Glaxosmithkline Consumer Healthcare Ltd (Formerly Smithkline Beecham Consumer)	3,519	255	–	–	–	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Sr. No.	Particulars	As at 31-Mar-19		As at 31-Mar-18 ₹ in Lakhs		As at 1-Apr-17 ₹ in Lakhs	
		(Units)	(Amount ₹ in Lakhs)	(Units)	(Amount ₹ in Lakhs)	(Units)	(Amount ₹ in Lakhs)
	Godrej Industries Ltd	66,449	356	-	-	-	-
	Havells India Ltd	551	4	-	-	-	-
	HDFC Asset Management Company Ltd	125	2	-	-	-	-
	HDFC Bank Ltd	1,391	32	-	-	-	-
	Hdfc Life Insurance Company Ltd	5,023	19	-	-	-	-
	Hindustan Petroleum Corporation Ltd	99,326	282	-	-	-	-
	Hindustan Unilever Ltd	288	5	-	-	-	-
	Housing Development Finance Corporation Ltd	242	5	-	-	-	-
	ICICI Bank Ltd	55,334	222	-	-	-	-
	ICICI Lombard General Insurance Company Ltd	877	9	-	-	-	-
	Infosys Ltd	881	7	-	-	-	-
	Interglobe Aviation Ltd	428	6	-	-	-	-
	Ipca Laboratories Ltd	32,001	314	-	-	-	-
	ITC Ltd	1,800	5	-	-	-	-
	Jubilant Foodworks Ltd	118	2	-	-	-	-
	Jubilant Life Sciences Ltd	294	2	-	-	-	-
	Kajaria Ceramics Ltd	975	6	-	-	-	-
	Kansai Nerolac Paints Ltd	782	4	-	-	-	-
	Kotak Mahindra Bank Ltd	86,015	1,148	-	-	-	-
	L&T Technology Services Ltd	27,671	435	-	-	-	-
	Larsen & Toubro Infotech Ltd	811	14	-	-	-	-
	Larsen & Toubro Ltd	899	12	-	-	-	-
	Liquid funds and cash and cash equivalents held through PMS	11,144	78	-	-	-	-
	Mahindra Logistics Ltd	2,062	11	-	-	-	-
	Maruti Suzuki India Ltd	212	14	-	-	-	-
	Max Financial Services Ltd	83,019	361	-	-	-	-
	Minda Industries Ltd	685	2	-	-	-	-
	Monsanto India Ltd (Formerly Monsanto Chemicals Of India)	3,030	79	-	-	-	-
	Page Industries Ltd	3,597	898	-	-	-	-
	Persistent Systems Ltd	455	3	-	-	-	-
	Petronet Lng Ltd	3,677	9	-	-	-	-
	PI Industries Ltd	172	2	-	-	-	-
	Qness Corp Ltd	1,980	15	-	-	-	-
	Rbl Bank Ltd	1,409	10	-	-	-	-
	SBI Life Insurance Company Ltd	878	5	-	-	-	-
	SRF Ltd	128	3	-	-	-	-
	Sundram Fasteners Ltd	748	4	-	-	-	-
	Tata Consultancy Services Ltd	214	4	-	-	-	-
	Tech Mahindra Ltd	50,146	389	-	-	-	-
	The Federal Bank Ltd	2,44,492	236	-	-	-	-
	The Jammu & Kashmir Bank Ltd	1,42,437	77	-	-	-	-
	The Ramco Cements Ltd	422	3	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Sr. No.	Particulars	As at 31-Mar-19		As at 31-Mar-18 ₹ in Lakhs		As at 1-Apr-17 ₹ in Lakhs	
		(Units)	(Amount ₹ in Lakhs)	(Units)	(Amount ₹ in Lakhs)	(Units)	(Amount ₹ in Lakhs)
	The Supreme Industries Ltd	100	1	-	-	-	-
	Titan Company Ltd	990	11	-	-	-	-
	United Spirits Ltd	674	4	-	-	-	-
	Varroc Engineering	362	2	-	-	-	-
	VIP Industries Ltd	1,207	6	-	-	-	-
	Voltas Ltd	1,51,902	956	-	-	-	-
	Wabco India Ltd	47	3	-	-	-	-
	Whirlpool of India Ltd	377	6	-	-	-	-
	Total (III)		29,714		20,283		9,814
	Total (I+II+III)		2,68,591		2,80,718		2,32,714
	(i) Investment outside India		-		-		-
	(ii) Investment in India		2,68,591		2,80,718		2,32,714
	Total		2,68,591		2,80,718		2,32,714

NOTE 9 : OTHER FINANCIAL ASSETS

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Rent, electricity, and other deposits	1,237	691	1,220
Deposits with exchange and other receivables	2,491	1,344	2,405
Interest accrued but not due on fixed deposit and home loan	-	-	-
Securities in trade*	0	27	0
Total	3,728	2,062	3,625

*Securities in trade comprises of investment in equity instruments held on behalf of clients.

NOTE 10 : CURRENT TAX ASSETS (NET)

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Advance tax and tax deducted at source (net of provisions)	1,823	2,962	3,127
Total	1,823	2,962	3,127

NOTE 11 : DEFERRED TAX ASSETS (NET)

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Deferred tax assets (net) (also refer note 38)	14,290	7,595	6,069
Total	14,290	7,595	6,069

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd.)

NOTE 12 : INVESTMENT PROPERTY

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Opening balance	3,573	3,432	901
Add : Addition during the year	–	462	2,827
Less: Depreciation on investment property	(55)	(167)	(128)
Less: Deduction during the year	–	(154)	(168)
Total	3,518	3,573	3,432

NOTE 13 : PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

Particulars	Gross Block			Depreciation / amortization				Net Block		
	Balance as at 01 April 2018	Additions	Disposal	Balance as at 31 March 2019	Balance as at 01 April 2018	During the year	Disposal	Balance as at 31 March 2019	Balance as at 31 March 2019	Balance as at 31 March 2018
(a) Property, plant and equipment										
Computer	919	150	5	1,064	650	150	–	800	264	269
Furniture & Fittings	2,841	68	10	2,899	1,813	140	–	1,953	946	1,028
Office Equipments	3,799	441	–	4,240	3,010	484	–	3,494	746	789
Building	25,256	296	768	24,784	6,427	565	710	6,282	18,502	18,829
Plant And Machinery	6,913	349	–	7,262	5,554	142	–	5,696	1,566	1,359
Electrical Equipment	205	6	–	211	82	50	–	132	79	123
Lease Hold Improvement	858	176	–	1,034	557	164	–	721	313	301
Land	2,096	–	–	2,096	–	–	–	–	2,096	2,096
Vehicles	767	270	32	1,005	554	94	21	627	378	213
Total (a)	43,654	1,756	815	44,595	18,647	1,789	731	19,705	24,890	25,007
(b) Intangible assets under development	11	–	–	11	–	–	–	–	11	11
(c) Other Intangible assets										
Bse/Mcx Cards	648	–	–	648	648	–	–	648	–	–
Customer Rights	742	–	–	742	742	–	–	742	–	–
Licences	5	–	–	5	5	–	–	5	–	–
Software	4,358	988	–	5,346	2,981	551	(12)	3,544	1,802	1,377
Total (c)	5,843	988	–	6,831	4,466	551	(12)	5,029	1,802	1,377
Total (a+b+c)	49,508	2,744	815	51,437	23,113	2,340	719	24,734	26,703	26,395

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

₹ in Lakhs

Particulars	Gross Block				Depreciation / amortization				Net Block	
	Balance as at 01 April 2017	Additions	Disposal	Balance as at 31 March 2018	Balance as at 01 April 2017	During the year	Disposal	Balance as at 31 March 2018	Balance as at 31 March 2018	Balance as at 01 April 2017
(a) Property, plant and equipment										
Computer	607	312	–	919	358	292	–	650	269	249
Furniture & Fittings	2,424	417	–	2,841	1,542	271	–	1,813	1,028	882
Office Equipments	3,382	417	–	3,799	2,732	278	–	3,010	789	650
Office Premises	24,626	630	–	25,256	5,284	1,143	–	6,427	18,829	19,342
Plant And Machinery	5,838	1,075	–	6,913	4,763	791	–	5,554	1,359	1,075
Electrical Equipment	110	95	–	205	7	75	–	82	123	103
Lease Hold Improvement	652	205	–	858	402	155	–	557	301	250
Land & Building	2,096	–	–	2,096	–	–	–	–	2,096	2,096
Vehicles	762	121	116	767	429	197	72	554	213	333
Total (a)	40,497	3,272	116	43,654	15,517	3,202	72	18,647	25,007	24,980
(b) Intangible assets under development	–	11	–	11	–	–	–	–	11	–
(c) Other Intangible assets										
Bse/MCX Cards	648	–	–	648	648	–	–	648	–	–
Customer Rights	742	–	–	742	741	1	–	742	–	1
Licences	5	–	–	5	5	–	–	5	–	–
Software	3,559	795	–	4,358	2,604	378	1	2,981	1,377	955
Total (c)	5,044	795	–	5,843	4,088	379	1	4,466	1,377	956
Total (a+b+c)	45,541	4,078	116	49,508	19,605	3,581	73	23,113	26,395	25,936

NOTE 14 : OTHER NON-FINANCIAL ASSETS

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Prepaid expenses	9,399	11,258	6,268
Advances and other non-financial assets	1,033	1,410	2,138
Indirect tax credit receivable	2,313	1,368	2,004
Asset held for sale or disposal	2,285	2,311	10
Stock of stamps	1	1	1
Sign on bonus pending amortisation	41	–	–
Capital advances	400	419	530
Total	15,472	16,767	10,951

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

NOTE 15 : PAYABLES

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
(i) Trade payables			
total outstanding dues of Micro & small enterprises*	–	–	–
total outstanding dues of creditors other than Micro small & medium enterprises	1,39,062	1,32,039	1,03,079
(ii) Other payables			
total outstanding dues of micro & small enterprises*	–	–	50
total outstanding dues of creditors other than Micro small & medium enterprises	–	–	–
Total	1,39,062	1,32,039	1,03,129

*Due to Micro and Small Enterprises

The Micro and Small Enterprises have been identified on the basis of the information provided by the vendors to the Company.

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
The principal amount remaining unpaid at the end of the year	–	–	50
The Interest amount remaining unpaid at the year end	–	–	–
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	–	–	–
The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	–	–	–
The amount of interest accrued and remaining unpaid at the year end	–	–	–
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	–	–	–
The balance of MSMED parties as at the year end	–	–	–
Total	–	–	50

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

NOTE 16 : DEBT SECURITIES

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
At Amortised cost			
Secured			
Secured redeemable non-convertible debentures	1,49,110	1,26,990	1,21,728
Secured Zero coupon debentures	–	12,939	12,916
Unsecured			
Unsecured redeemable non-convertible debentures	74,501	78,633	78,488
Unsecured Zero coupon debentures	–	9,953	9,935
Commercial paper	34,549	61,229	66,848
	2,58,160	2,89,744	2,89,915
Debt Securities in India	2,58,160	2,89,744	2,89,915
Debt Securities Outside India	–	–	–
	2,58,160	2,89,744	2,89,915

Security and other terms of Debentures and Bonds

Terms of repayment as below (Repayment schedule mentioned below excludes Unamortised borrowing cost):

As at 31 March 2019

NCD Series	Units	Amount ₹ in Lakhs	Security provided	Charge %	Rate of Interest	Maturity date
SERIES A (2015-16)/13	700	7,000	Exclusive charge over specific receivables	1.05 Time of amount Outstanding and Interest amount outstanding at any point of time	10.70%	08-Apr-19
Series A	250	2,500	Mortgage of the issuer's identified immovable property and first pari-passu charge on all present and future trade receivables and / or Investments (excluding investment in Subsidiaries)	1.25 Time of amount Outstanding and Interest amount outstanding at any point of time	8.50%	30-Apr-19
SERIES A (2016-17)/04	1250	12,500	Exclusive charge over specific receivables	1.05 Time of amount Outstanding and Interest amount outstanding at any point of time	10.70%	05-Jun-19
Series B	250	2,500	Mortgage of the issuer's identified immovable property and first pari-passu charge on all present and future trade receivables and / or Investments (excluding investment in Subsidiaries)	1.25 Time of amount Outstanding and Interest amount outstanding at any point of time	8.50%	05-Jun-19
SERIES C (2016-17)/1	800	8,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	09-Dec-19

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

NCD Series	Units	Amount ₹ in Lakhs	Security provided	Charge %	Rate of Interest	Maturity date
SERIES C(2016-17)/2	200	2,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	23-Dec-19
SERIES C (2016-17)/4	80	800	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.25%	01-Jan-20
SERIES C (2016-17)/3	746	7,460	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	01-Jan-20
SERIES C(2016-17)/5 & 6	174	1,740	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.01%	02-Jan-20
SERIES C(2016-17)/7	691	6,910	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	06-Feb-20
SERIES C(2016-17)/8	60	600	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	9.80%	25-Feb-20
SERIES C(2016-17)/9	100	1,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	9.80%	27-Feb-20
SERIES C(2016-17)/10	51	510	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	9.55%	18-Mar-20
SERIES A (2015-16)/3	450	4,500	Exclusive charge over specific receivables	1.11 Time of amount Outstanding and Interest amount outstanding at any point of time	10.75%	08-Jun-20
Series C	1500	15,000	First pari-passu charge on all present and future trade receivables	1.25 Time of amount Outstanding and Interest amount outstanding at any point of time	8.53%	03-Jul-20
SERIES M-1/ FY19/FY22	825	9,138	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.25%	30-Apr-21
SERIES A (2016-17)/07	997	9,970	Exclusive charge over specific receivables	1.11 Time of amount Outstanding and Interest amount outstanding at any point of time	9.85%	15-May-23

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

NCD Series	Units	Amount ₹ in Lakhs	Security provided	Charge %	Rate of Interest	Maturity date
SERIES A-1/ FY19/FY25	2500	25,000	Exclusive charge over specific receivables	1.05 Time of amount Outstanding and Interest amount outstanding at any point of time	10.55%	24-Aug-23
SERIES A-4/ FY19/FY25	3000	30,000	Exclusive charge over specific receivables	1.05 Time of amount Outstanding and Interest amount outstanding at any point of time	10.25%	27-Jan-24
SERIES A-3/ FY19/FY25	250	2,500	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	19-Oct-24
Total		1,49,628				

As at 31 March 2018

NCD Series	Units	Amount ₹ in Lakhs	Security provided	Charge %	Rate of Interest	Maturity date
Series A (2015- 16)/2	250	2,500	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	0.00%	28-May-18
Series A (2015- 16)/4	150	1,500	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.85%	08-Jun-18
Series A (2015- 16)/5	750	7,500	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	0.00%	29-Jun-18
Series A (2015- 16)/6	1,500	15,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.84%	06-Jul-18
Series A (2015- 16)/9	250	2,500	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	0.00%	16-Jul-18
Series A (2016- 17)/10	50	500	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	0.00%	27-Jul-18
Series A (2015- 16)/7	1,000	10,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.84%	16-Aug-18
Series A (2015- 16)/8	250	2,500	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.84%	17-Aug-18
Series A (2015- 16)/13	700	7,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.70%	08-Apr-19
Series A	250	2,500	Mortgage of the issuer's identified immovable property and first pari- passu charge on all present and future trade receivables and / or Investments (excluding investment in Subsidiaries)	1.25 Time of amount Outstanding and Interest amount outstanding at any point of time	8.50%	30-Apr-19
Series A (2016- 17)/4	1,250	12,500	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.70%	05-Jun-19
Series B	250	2,500	Mortgage of the issuer's identified immovable property and first pari- passu charge on all present and future trade receivables and / or Investments (excluding investment in Subsidiaries)	1.25 Time of amount Outstanding and Interest amount outstanding at any point of time	8.50%	05-Jun-19

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

NCD Series	Units	Amount ₹ in Lakhs	Security provided	Charge %	Rate of Interest	Maturity date
Series C (2016-17)/1	800	8,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	09-Dec-19
Series C (2016-17)/2	200	2,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	23-Dec-19
Series C (2016-17)/3	746	7,460	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	01-Jan-20
Series C (2016-17)/4	80	800	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.25%	01-Jan-20
Series C (2016-17)/5 & 6	174	1,740	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.01%	02-Jan-20
Series C (2016-17)/7	691	6,910	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	06-Feb-20
Series C (2016-17)/8	60	600	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	9.80%	25-Feb-20
Series C (2016-17)/9	100	1,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	9.80%	27-Feb-20
Series C (2016-17)/10	51	510	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	9.55%	18-Mar-20
Series A (2015-16)/3	500	5,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.75%	08-Jun-20
Series C	1500	15,000	First pari-passu charge on all present and future trade receivables	1.25 Time of amount Outstanding and Interest amount outstanding at any point of time	8.53%	03-Jul-20
Series A (2015-16)/10	1,500	15,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	9.75%	10-Nov-20
Series A (2016-17)/7	997	9,970	Exclusive charge over specific receivables	1.10 Times of amount Outstanding	9.85%	15-May-23
Total		1,40,490				

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

As at 1 April 2017

NCD Series	Units	Amount ₹ in Lakhs	Security provided	Charge %	Rate of Interest	Maturity date
Series A (2016-17)/7	997	9,970	Exclusive charge over specific receivables	1.10 Times of amount Outstanding	9.85%	15-May-23
Series A (2015-16)/10	1,500	15,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	9.75%	10-Nov-20
Series A (2015-16)/3	500	5,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.75%	08-Jun-20
Series C (2016-17)/10	51	510	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	9.55%	18-Mar-20
Series C (2016-17)/9	100	1,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	9.80%	27-Feb-20
Series C (2016-17)/8	60	600	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	9.80%	25-Feb-20
Series C (2016-17)/7	691	6,910	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	06-Feb-20
Series C (2016-17)/5 & 6	174	1,740	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.01%	02-Jan-20
Series C (2016-17)/3	746	7,460	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	01-Jan-20
Series C (2016-17)/4	80	800	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.25%	01-Jan-20
Series C (2016-17)/2	200	2,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	23-Dec-19
Series C (2016-17)/1	800	8,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	09-Dec-19
Series A (2016-17)/4	1,250	12,500	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.70%	05-Jun-19
Series A (2015-16)/13	700	7,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.70%	08-Apr-19
Series A (2015-16)/8	250	2,500	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.84%	17-Aug-18

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

NCD Series	Units	Amount ₹ in Lakhs	Security provided	Charge %	Rate of Interest	Maturity date
Series A (2015-16)/7	1,000	10,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.84%	16-Aug-18
Series A (2016-17)/10	50	500	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	0.00%	27-Jul-18
Series A (2015-16)/9	250	2,500	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	0.00%	16-Jul-18
Series A (2015-16)/6	1,500	15,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.84%	06-Jul-18
Series A (2015-16)/5	750	7,500	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	0.00%	29-Jun-18
Series A (2015-16)/4	150	1,500	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	10.85%	08-Jun-18
Series A (2015-16)/2	250	2,500	Exclusive charge over specific receivables	1.05 Times of amount Outstanding	0.00%	28-May-18
Series A (2015-16)/1	1,000	10,000	Exclusive charge over specific receivables	1.10 Times of amount Outstanding	11.00%	06-May-17
Series A	250	2,500	Mortgage of the issuer's identified immovable property and first pari-passu charge on all present and future trade receivables and / or Investments (excluding investment in Subsidiaries)	1.25 Time of amount Outstanding and Interest amount outstanding at any point of time	8.50%	30-Apr-19
Series B	250	2,500	Mortgage of the issuer's identified immovable property and first pari-passu charge on all present and future trade receivables and / or Investments (excluding investment in Subsidiaries)	1.25 Time of amount Outstanding and Interest amount outstanding at any point of time	8.50%	05-Jun-19
Total		1,35,490				

Note : Repayment schedule excludes Unamortised borrowing cost of ₹ 518 lacs, 560 lacs and 846 lacs respectively for 31 March 2019, 31 March 2018 and 1 April 2017

Unsecured Debentures and Bonds As at 31 March 2019

Interest Rate	Amount ₹ in Lakhs
10.50%	25,000
10.60%	20,000
11.00%	10,000
11.25%	4,800
11.40%	5,000
11.50%	5,000
11.75%	5,000
Total	74,800

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

Unsecured Debentures and Bonds As at 31 March 2018

Interest Rate	Amount ₹ in Lakhs
8.65%	25,000
10.50%	5,000
10.82%	1,500
10.85%	10,000
11.00%	32,500
11.15%	5,000
Zero coupon	10,000
Grand Total	89,000

Unsecured Debentures and Bonds As at 1 April 2017

Interest Rate	Amount ₹ in Lakhs
9.99%	25,000
10.50%	5,000
10.82%	1,500
10.85%	10,000
11.00%	32,500
11.15%	5,000
Zero coupon	10,000
Total	89,000

Note : Repayment schedule excludes Unamortised borrowing cost of ₹ 299 lacs, 414 lacs and 577 lacs respectively for 31 March 2019, 31 March 2018 and 1 April 2017

NOTE 17 : BORROWINGS (OTHER THAN DEBT SECURITIES)

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
At Amortised cost			
Term loans			
(i) from banks	1,50,124	1,77,713	1,77,890
(ii) from other parties	17,000	40,000	21,000
Demand loans from banks	83,901	21,597	16,454
Cash credit from banks	2,308	3,240	—
Total (A)	2,53,333	2,42,550	2,15,344
Borrowings in India	2,53,333	2,42,550	2,15,344
Borrowings outside India	—	—	—
Total (B)	2,53,333	2,42,550	2,15,344
Secured	2,53,333	2,42,550	2,15,344
Unsecured	—	—	—
Total (C)	2,53,333	2,42,550	2,15,344

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd.)

Security and other terms of loans are as follows :

- a) Rate of interest of cash credit is 3M MCLR + 2% and is secured by way of hypothecation of receivables.

As at 31 March 2019

- b) Terms of repayment of terms loans

Term loans from banks and NBFC

(₹ in Lakhs)

Maturity	0-1 years	1-3 years	3-5 years	>5 years	Total
Rate of interest					
8.25 % to 10.25% annually*	32,880	59,472	40,691	17,081	1,50,124
9 % to 9.25% annually**	17,000	–	–	–	17,000
Total	49,880	59,472	40,691	17,081	1,67,124

* Secured against hypothecation of receivables i.e. loans and advances.

** Secured against units of mutual funds and approved list of shares and securities and repayable on demand.

As at 31 March 2018

Terms of repayment of terms loans

Term loans from banks and NBFC

(₹ in Lakhs)

Maturity	0-1 years	1-3 years	3-5 years	>5 years	Total
Rate of interest					
8.25 % to 10.25% annually*	31,285	57,109	47,341	42,852	1,78,587
9 % to 9.25% annually**	40,000	–	–	–	40,000
Total	71,285	57,109	47,341	42,852	2,18,587

* Secured against hypothecation of receivables i.e. loans and advances.

** Secured against units of mutual funds and approved list of shares and securities and repayable on demand.

As at 1 April 2017

Terms of repayment of terms loans

Term loans from banks and NBFC

(₹ in Lakhs)

Maturity	0-1 years	1-3 years	3-5 years	>5 years	Total
Rate of interest					
8.25 % to 10.25% annually*	22,437	53,588	38,030	43,835	1,57,890
9 % to 9.25% annually**	41,000	–	–	–	41,000
Total	63,437	53,588	38,030	43,835	1,98,890

* Secured against hypothecation of receivables i.e. loans and advances.

** Secured against units of mutual funds and approved list of shares and securities and repayable on demand.

NOTE 18 : OTHER FINANCIAL LIABILITIES

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Interest accrued and not due on borrowings	13,755	24,110	18,388
Interest accrued and due on borrowings	1,103	35	30
Unpaid dividend	36	22	15
Margin money	31,567	19,920	9,598
Other payables (includes payable to vendors)	4,804	5,796	3,734
Provision for expenses	1,480	833	657
Book overdraft	7,022	6,600	–
Total	59,767	57,316	32,422

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

NOTE 19 : CURRENT TAX LIABILITIES (NET)

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Provisions for tax(net of advance tax and tax deducted at source)	1,290	1,724	830
Total	1,290	1,724	830

NOTE 20 : PROVISIONS

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
For employee benefits (also refer note 44)			
Gratuity unfunded	2,218	1,969	1,354
Heritage club benefit	207	112	93
Ex - gratia payable	9,315	12,899	8,392
Compensated absences	201	107	148
Total	11,941	15,087	9,987

NOTE 21 : DEFERRED TAX LIABILITIES (NET)

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Deferred tax liabilities (net) (Refer note 38)	12,148	14,878	11,771
Total	12,148	14,878	11,771

NOTE 22 : OTHER NON FINANCIAL LIABILITIES

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Advance received from customers	1,718	1,848	184
Withholding and other taxes payables	938	1,006	3,326
Accrued salaries and benefits	395	424	869
Retention money	-	-	6
Capital advances	0	8	16
Total	3,051	3,286	4,401

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd.)

NOTE 23 : EQUITY SHARE CAPITAL

Particulars	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
Authorised shares						
Equity shares of ₹ 1 each (Previous year ₹ 1 each)	92,50,00,000	9,250	87,00,00,000	8,700	87,00,00,000	8,700
Redeemable preference shares of ₹ 100 each (Previous year ₹ 100 each)	56,50,000	5,650	50,00,000	5,000	50,00,000	5,000
Total	93,06,50,000	14,900	87,50,00,000	13,700	87,50,00,000	13,700
Issued and subscribed						
Equity shares of ₹ 1 each	14,56,80,358	1,457	14,50,83,558	1,451	14,44,57,476	1,445
Paid-up						
Equity shares of ₹ 1 each	14,56,80,358	1,457	14,50,83,558	1,451	14,44,57,476	1,445
Total	14,56,80,358	1,457	14,50,83,558	1,451	14,44,57,476	1,445

a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year.

Particulars	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
Outstanding at the beginning of the year	14,50,83,558	1,451	14,44,57,476	1,445	14,21,74,075	1,422
Stock options exercised under the ESOS	5,96,800	6	6,26,082	6	22,83,401	23
Outstanding at the end of the year	14,56,80,358	1,457	14,50,83,558	1,451	14,44,57,476	1,445

b) Terms/rights attached to shares :

Equity shares

The Company has one class of equity shares having a par value of Re. 1 each (previous year: having a par value of Re. 1 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2019, dividend recognized as distribution to equity shareholders was ₹ 8.50 per share consisting of final dividend of ₹ 4.50 per share for previous year ended 31 March 2018 and interim dividend of ₹ 4 per share for year ended 31 March 2019. The total dividend appropriated amounts to ₹ 12,374 lakhs (Previous Year: ₹ 10,129 lakhs) and dividend distribution tax of ₹ 1,048 lakhs (Previous year: ₹ 966 lakhs). The Board of Directors at their meeting held on 11 May 2019, proposed a final dividend of ₹ 4.50 per share for year ended 31 March 2019, subject to the approval of the members at the ensuing Annual General Meeting. In terms of Indian Accounting Standard (IND AS) 10 'Events after the reporting period', the Company has not accounted for proposed dividend as a liability as at 31 March 2019. If approved the total liability arising to the Company would be ₹ 7,903 lakhs including dividend distribution tax (previous year ₹ 7,871 lakhs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Preference shares :

The Company has only one class of preference shares having a par value of ₹ 100 and there are no preference shares issued and subscribed as on 31 March 2019, 31 March 2018 and 1 April 2017.

c) Shares of the Company held by the holding

Equity shareholders	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	Number	% holding	Number	% holding	Number	% holding
Passionate Investment Management Private Limited	8,03,43,667	55.15	7,77,34,132	53.58	7,67,92,394	53.16

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

Equity shareholders	As at 31-Mar-19		As at 31-Mar-18		As at 1-Apr-17	
	Number	% holding	Number	% holding	Number	% holding
Passionate Investment Management Private Limited	8,03,43,667	55.15	7,77,34,132	53.58	7,67,92,394	53.16
Mr. Motilal Oswal	1,01,62,071	6.98	1,16,39,607	8.02	1,21,10,476	8.38
Mr. Raamdeo Agarawal	1,01,62,071	6.98	1,12,55,131	7.76	1,18,28,100	8.12
Mr. Navin Agrawal	70,04,010	4.81	70,04,010	4.83	78,04,010	5.40

e) Aggregate number of bonus share issued, shares issued for consideration other than cash and shares bought back the period for Five years immediately preceding the reporting date :

Particulars	31-Mar-19	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14
Allotted as fully paid up without payment being received in cash	–	–	–	–	–	–
Equity shares bought back	–	–	–	–	2,756	70,69,945

NOTE 24 : OTHER EQUITY

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
a) Statutory reserve			
Balance at the beginning of the year	15,894	12,015	8,647
Add: Transfer from Statement of Profit and Loss for the year	42	3,879	3,368
Less: Transfer to general reserve	(12,124)	–	–
Balance as at end of the year	3,812	15,894	12,015
b) Capital redemption reserve			
Balance at the beginning of the year	2,259	2,009	1,029
Add: Transfer from Statement of Profit and Loss for the year	245	250	840
Add: Transfer to general reserve	–	–	140
Balance as at end of the year	2,504	2,259	2,009
c) Securities premium			
Balance at the beginning of the year	48,793	46,299	43,064
Addition during the year on account of share issue	1,820	1,876	3,235
Add: Transfer from Employee stock option reserve	899	618	–
Balance as at end of the year	51,512	48,793	46,299

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
d) Employee stock options outstanding reserve			
Balance at the beginning of the year	3,317	1,633	–
Addition during the year	1,897	2,302	1,633
Less: Transfer to securities premium account	(899)	(618)	–
Balance as at end of the year	4,315	3,317	1,633
e) Capital reserve on consolidation			
Balance at the beginning of the year	5,084	5,084	5,102
Less: Deduction during the period	–	–	(18)
Balance as at end of the year	5,084	5,084	5,084
f) General reserve			
Balance at the beginning of the year	4,974	6,447	6,672
Less: Transfer to debenture redemption reserve	(1,794)	(1,473)	(85)
Less : Transfer from capital redemption reserve /Statutory reserves	12,124	–	(140)
Balance as at end of the year	15,304	4,974	6,447
g) Debenture redemption reserve			
Balance at the beginning of the year	1,558	85	–
Add: Transfer from general reserve	1,794	1,473	85
Balance as at end of the year	3,352	1,558	85
h) Foreign currency translation reserve			
Balance at the beginning of the year	197	45	121
Addition during the period	92	152	(76)
Balance as at end of the year	289	197	45
i) Retained earnings			
Balance at the beginning of the year	1,86,081	1,39,282	77,634
Add: Net profit for the year	29,397	62,228	35,999
Less:- Proposed Dividend	(6,549)	(4,340)	(0)
Less:- Interim Dividend	(5,956)	(5,789)	(3,588)
Less:-Dividend Distribution Tax	(2,733)	(966)	(730)
Less:- Transfer to Statutory Reserve	(42)	(3,879)	(3,368)
Less:- Transfer to Capital Redemption reserve	(245)	(191)	(840)
Add: Impact due to transition to Ind AS	–	–	34,175
Less:- Minority Balance Sheet Effect	(928)	(264)	–
Balance as at end of the year	1,99,025	1,86,081	1,39,282
ii) Other comprehensive income			
Balance at the beginning of the year	18,982	7,861	–
Add : Impact due to transition to Ind AS	–	–	7,861
Add : Other comprehensive income for the year	(292)	11,121	–
	18,690	18,982	7,861
Total	3,03,887	2,87,139	2,20,760

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Nature and purpose of Other Reserve :

Statutory Reserve

The Company creates a reserve fund in accordance with the provisions of section 29C of The National Housing Bank Act, 1987 and section 45-IC of the Reserve Bank of India Act, 1934 and transfers therein an amount of equal to / more than twenty per cent of its net profit of the year, before declaration of dividend.

Capital Redemption Reserve

The capital redemption reserve is created to be utilised towards redemption of preference shares. The reserve will be utilised in accordance with provision of the Act.

Securities Premium

Security premium account is use to record the premium received on issue of shares. The reserve will be utilised in accordance with the provisions of the Act.

Employee stock options outstanding reserve

Share option outstanding account is used to recognize the grant date fair value of equity settle instruments issued to employees under the stock option scheme of the company.

Capital reserve on consolidation

Capital reserve is the excess of net assets taken over cost of consideration paid.

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss. general reserve is used to transfer to debenture redemption reserve.

Debenture redemption reserve

Debenture Redemption Reserve is created as per Rule 18(7)(b)(iii) of Companies (Share Capital and Debentures) Rules, 2014, the same should be created before redemption of Non convertible debenture starts. Debenture Redemption Reserve is being created by transferring from general reserve.

Foreign currency translation reserve

Foreign currency translation reserve is created out of Exchange differences in translating the financial statements of foreign operations.

Retained earnings

Retained earnings represents accumulated profits of the company.

Other comprehensive income

Other comprehensive income consists of cumulative gains on the fair valuation of equity instruments measured at fair value through other comprehensive income and remeasurement gains / loss on defined benefit plan.

NOTE 25 : INTEREST INCOME

	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
On financial assets measured at amortised cost		
Interest Income on Loan		
Home loans	62,836	63,260
Fund based	—	780
Interest Income on other activity		
Broking activity	17,138	15,711
Interest on deposit with banks		
Home loan business	21	90
Broking activity	581	189
Total	80,576	80,030

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

NOTE 26 : DIVIDEND INCOME

	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
Dividend Income	37	1,002
Total	37	1,002

NOTE 27 : RENTAL INCOME

	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
Rent received	363	374
Total	363	374

NOTE 28 : FEES AND COMMISSION INCOME

	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
Brokerage and related activities		
Brokerage income	66,781	70,568
Research and advisory fees	2,023	1,298
Distribution income	3,261	2,630
Depository income	2,356	2,236
	74,421	76,732
Investment banking fees	3,713	10,965
Asset management and advisory fees		
Portfolio Management Fees	37,842	37,377
Investment management and advisory fees from :		
- Mutual fund	16,051	12,397
- Alternate investment funds	4,416	3,935
- Private Equity	10,308	16,199
Wealth management	4,696	3,632
	73,313	73,540
Total	1,51,447	1,61,237

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

NOTE 29 : NET GAIN ON FAIR VALUE CHANGES

	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
On financial instruments designated at fair value through profit or loss	8,025	25,028
	8,025	25,028
Fair Value changes:		
Realised	15,888	16,767
Unrealised	(7,863)	8,261
	8,025	25,028
Net gain on fair value changes included in:		
Fund based activities	1,213	18,367
Brokerage and related activities	5,908	4,990
Asset Management and advisory fees	278	184
Housing finance	626	1,487
Total	8,025	25,028

NOTE 30 : OTHER OPERATING INCOME

	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
Brokerage and operating income	3,100	4,378
Investment banking fees	57	90
Asset management fees	377	258
Fund based Income	929	440
Housing finance related	1,357	2,237
Total	5,820	7,403

NOTE 31 : OTHER INCOME

	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
Profit on sale of property, plant and equipment	2	10
Interest income	67	60
Prior year income	0	0
Other non operating income	401	90
Partnership gain / (loss)	37	0
Net gain or loss on foreign currency transaction and translation	48	0
Total	555	160

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

NOTE 32 : FINANCE COST

	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
On Financial liabilities measured at Amortised Cost		
Interest on borrowings	26,837	28,848
Interest on debt securities	23,716	22,642
Other borrowing cost	1,132	1,353
Total	51,685	52,843

NOTE 33 : FEES AND COMMISSION EXPENSE

	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
Brokerage sharing with intermediaries		
Broking	30,263	32,219
Wealth management	213	187
	30,476	32,406
Placement fees		
Private equity	305	56
	305	56
Depository and processing charges		
Broking	358	420
Asset Management	160	242
	518	662
Distribution cost and spillover expense		
Portfolio management services	12,546	12,788
Alternative investment fund	1,652	1,837
	14,198	14,625
Advisory referral and other expenses		
Broking	37	0
Investment Banking	56	31
Fund Based	-	6
Private equity	574	1,283
	667	1,320
Total	46,164	49,069

NOTE 34 : IMPAIRMENT ON FINANCIAL INSTRUMENTS

	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
Impairment on financial instruments at Amortised cost		
Loans (also refer note 7)	6,224	6,627
Investments	-	613
Receivables (also refer note 6)	261	572
Total	6,485	7,812

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

NOTE 35 : EMPLOYEE BENEFITS EXPENSE

	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
Salary, bonus and allowances	45,497	43,686
Contribution to provident fund and other benefits	979	877
Expenses on employee stock option scheme (also refer note 52)	1,954	2,331
Staff welfare expenses	992	1,079
Gratuity (also refer note 51)	755	1,235
Total	50,177	49,208

NOTE 36 : DEPRECIATION AND AMORTIZATION EXPENSES

	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
Depreciation / amortization of property, plant and equipment and intangible assets) [also refer note. 13]	2,340	3,582
Depreciation on investment property [also refer note. 13]	55	167
Total	2,395	3,749

NOTE 37 : OTHER EXPENSES

	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
Rates and taxes	701	726
Rent (also refer note 41)	1,693	1,421
Insurance	376	139
Repairs and maintenance	387	461
Computer repairs and maintenance	979	751
Legal and professional charges	2,179	2,434
Remuneration to auditors (also refer note. 40)	130	112
Membership and subscription	49	62
Data processing charges	782	969
Marketing and brand promotion expenses	2,724	3,500
Advertisement expenses	1,802	2,217
Printing and stationery	638	697
Power and fuel	858	837
Communication expenses	1,904	1,754
Travelling and conveyance expenses	2,756	2,671
Donations	201	159
Corporate social responsibility expenses (also refer note 48)	1,090	702
Bad debts written off	29,556	7,370
Entertainment expenses	217	234
Foreign exchange fluctuation	28	17
SEBI registration fees	10	-
Miscellaneous expenses	2,418	2,412
Total	51,478	29,645

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

NOTE 38.1 : TAX EXPENSE

The Company pays taxes according to the rates applicable in India. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). Tax is charged to equity when the tax benefit exceeds the cumulative income statement expense on share plans. The Company provides for current tax according to the tax laws of India using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is recognised when it is considered recoverable and herefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Particulars	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
Current tax expense		
Current tax for the year	18,426	18,797
Total current tax expense	18,426	18,797
Deferred taxes		
Change in deferred tax liabilities	(8,958)	1,984
Net deferred tax expense	(8,958)	1,984
Short / (excess) provision for earlier years	(61)	(195)
	9,407	20,586

NOTE 38.2 : TAX RECONCILIATION (FOR PROFIT AND LOSS)

Particulars	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs
Profit / (loss) before income tax expense	38,439	82,908
Tax rate	29.12%	29.12%
Tax at the rate	11,193	24,143
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Expenses not deductible for tax purpose	149	241
Reversal of Differed tax liability on reserve created u/s 36(1)(viii) of Income Tax Act	-	(455)
Recognition of tax on unamortised borrowings	(75)	-
Exempt income	(454)	(4,599)
Change due to deferred tax	258	24
Tax adjustment of previous years	15	264
Tax rebate	(77)	(94)
MAT credit receivable	9	637
Provision for employees benefits	(10)	-
Miscellaneous disallowance	53	419
Temporary tax difference	15	477
Tax at different rate	(1,669)	(471)
Effective tax	9,407	20,586

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

NOTE 38.3 : NET DEFERRED TAX

Particulars	For the Year ended 31-Mar-19 ₹ in Lakhs	For the Year ended 31-Mar-18 ₹ in Lakhs	For the Year ended 1-Apr-17 ₹ in Lakhs
Deferred tax liability on account of :			
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	1,891	1,612	1,977
Unrealised gain	8,149	10,385	8,474
Amortization of distribution costs	3,484	5,689	3,426
Impairment of Loans and trade receivables	(387)	(327)	(134)
Provision for employees benefits	(94)	(61)	(37)
Carried forward losses	326	(22)	(40)
Expenses allowable u/s. 43B on payment basis	(509)	(418)	(321)
Impairment of investments	(278)	(249)	(114)
Sign on bonus pending write off	–	6	3
Loss on private equity investment	7	11	–
MAT credit receivable	(441)	(1,605)	(1,323)
Interest accrued on ORCD	–	(69)	(38)
Rent income	–	(74)	(62)
Fair Valuation on ESOP	–	–	(40)
Total deferred tax liabilities (A)	12,148	14,878	11,771
Deferred tax assets on account of:			
Impairment of Loans and trade receivables	6,101	3,814	1,631
Carried forward losses	7,934	15	182
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	329	240	75
Effective Interest Rate	(67)	1,039	1,710
Amortization of distribution costs	(852)	1,963	2,634
Provision for employees benefits	177	180	126
Provision for VAT	14	15	15
MAT credit receivable	945	781	211
Unrealised gain	(115)	(53)	(72)
Unamortized borrowing cost	(284)	(459)	(515)
Deposit and rent Equalization	81	27	13
Fair Valuation on ESOP	–	(0)	25
Provision for compensated absence	36	33	34
Reserve created u/s 36(1)(viii) of Income Tax Act	(9)	–	–
Total deferred tax assets (B)	14,290	7,595	6,069
Net deferred tax Liability / (Assets) (A-B)	(2,142)	7,283	5,702

NOTE 39 : CONTINGENT LIABILITIES AND COMMITMENTS TO THE EXTENT NOT PROVIDED FOR

(A) The Group has provided bank guarantees aggregating to ₹ 7,885 lakhs (Previous year : ₹ 1,075 lakhs) as on 31 March 2019 for the following purposes to:

- 1) Bombay Stock Exchange Limited - Nil (Previous year : ₹ 550 lakhs) for meeting margin requirements.
- 2) National Stock exchange - ₹ 6300 lakhs (Previous year ₹ 500 lakhs) for meeting margin requirements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

- 3) Unique Identification Authority - ₹ 25 lakhs (Previous year ₹ 25 lakhs) for security deposit.
- 4) Hindalco Industries Limited - ₹ 1,500 lakhs for margin deposit.
- 5) Municipal Corporation of Greater Mumbai - ₹ 5 lakhs for security deposit
- 6) Bombay High Court - ₹ 55 lakhs for security deposit (Previous year Nil)
- 7) The Hon'ble Supreme Court has, in a recent decision dated 28 February 2019, ruled that special allowance would form part of basic wages for computing the Provident Fund (PF) contribution. While the Group is evaluating the implications of the order, the Group taken impact of its PF contribution prospectively and would record any further effect in its financial statements, on receiving additional clarity on the subject.
- 8) The Group has pledged fixed deposits with banks aggregating ₹ 4735 lakhs (Previous year ₹ 550 lakhs) for obtaining Bank guarantee.

Particulars	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs
(B) Demand in respect of income tax matters for which appeal is pending (Refer note i)	4,839	3,548

(C) Claims against the Company:

Pending against forum

Consumer Court cases
Civil cases
Arbitration cases

Total

Number of Cases As at 31-Mar-19	Number of Cases As at 31-Mar-18
—	—
26	27
—	2
26	29

Pending against forum

Consumer Court cases
Civil cases
Arbitration cases

Total

As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs
—	—
1,184	792
—	63
1,184	855

The proceedings held at exchange level are considered as "Arbitration"

The proceedings / Appeals held at Supreme court / High court / District court are considered as "Civil cases".

The proceedings held at consumer court are considered as "Consumer cases".

(D) Capital Commitments:

Particulars

- (i) Undrawn committed sanctions to borrowers
- (ii) Estimated amount of contracts remaining to be executed on capital account
- (iii) Uncalled Liability on shares and other investments partly paid:
 - (1) India Reality Excellence Fund III
 - (2) India Business Excellence Fund III
 - (3) India Realty Excellence Fund IV

As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs
14,992	28,179
381	752
199	2,000
18,154	12,113
6,500	—

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

- i) Demand in respect of Income Tax matters for which appeal is pending is ₹ 4,826 lakhs (Previous year ₹ 3,548 lakhs) out of which ₹ Nil (Previous year nil) is on account of rectification filed u/s 154 with income tax department. This is disputed by the Company and hence not provided for. The Company has paid demand of ₹ 339 lakhs till date (Previous year ₹ 1256 lakhs) under protest. These does not include interest u/s 234(b) & u/s 234(c) as same in the books of accounts depends on the outcome of demand.

The Group is contesting the demands and the management believes that its position will likely be upheld in the appellat process. No tax expenses has been accrued in the financial statement for the tax demand raised. The management believes that ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations.

NOTE 40 : AUDITORS' REMUNERATION

Particulars	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs
As Auditors:		
Statutory audit	126	101
Tax audit	—	2
In other capacity:		
Certification	3	8
Out of pocket expenses	1	1
Total	130	112

NOTE 41 : LEASES

Operating Lease expense (Group as a lessee)

Particulars	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs
Lease Payments recognised under the head "Rent"	1,693	1,421

Minimum future lease payment under non cancellable operating lease:

Particulars	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs
Not later than 1 year	960	690
More than 1 year and not later 3 years	794	464
Later than 5 year	17	—
Total	1,771	1,154

General Description of lease terms (In respect of assets taken on lease):

- Lease rentals are charged on the basis of agreed terms.
- Office premises are taken on lease for a period of 11 months to 60 months.
- Agreement is cancellable, by giving prior notice of 1 to 3 months by either of the parties
- The Group has entered into lease /license agreements in respect of immovable properties with different parties. Certain such agreements contain escalation clause related to lease rentals /license fees from 5% to 20 % p.a.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

NOTE 42 : QUANTITATIVE INFORMATION IN RESPECT OF INCOME FROM ARBITRAGE TRANSACTION

Particulars	31-Mar-19		31-Mar-18	
	Quantity	₹ in Lakhs	Quantity	₹ in Lakhs
Opening stock	–	0	–	(0)
Purchase	–	–	6,16,004	2,446
Sales	–	–	6,16,004	2,446
Closing stock	–	0	–	0

NOTE 43 : EARNINGS PER SHARE

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Net Profit attributable to equity shareholders [A]	29,397	62,228
Weighted average number of equity shares for Basic EPS Face value ₹ 1 each [B] (In numbers)	14,54,32,053	14,47,09,536
Basic Earnings per share (EPS) on PAT (Before OCI) (₹) [A/B]	20.21	43.00
Total comprehensive income attributable to equity shareholders [C]	29,105	73,348
Basic Earnings per share (EPS) on TCI (₹) [C/B]	20.01	50.64

Particulars	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Net Profit attributable to equity shareholders [A]	29,397	62,228
Less : Impact on Net profit due to exercise of diluted potential equity shares [B]	–	–
Net Profit attributable to equity shareholders for calculation of Diluted EPS [C] = [A - B]	29,397	62,228
Weighted average number of equity shares issued (face value of ₹ 1 each) (In numbers) [D]	14,54,32,053	14,47,09,536
Weighted average number of additional equity shares outstanding for Diluted EPS (In numbers) (E)	40,21,647	23,43,833
Weighted average number of equity shares outstanding for Diluted EPS (In numbers) F = [D+E]	14,94,53,700	14,70,53,369
Diluted Earnings per share (EPS) on PAT (Before OCI) (₹) [C/F]	19.67	42.32
Total comprehensive income attributable to equity shareholders [G]	29,105	73,348
Diluted Earnings per share (EPS) on TCI (₹) [G/F]	19.47	49.88

NOTE 44 : PROVISIONS MADE FOR THE YEAR ENDED 31 MARCH 2019 COMPRISES OF:

Particulars	Opening balance as on 1-Apr-18 ₹ in Lakhs	Provided during the year ended 31-Mar-19 ₹ in Lakhs	Provision Paid / reversed during the year ended 31-Mar-19 ₹ in Lakhs	Closing balance as on 31-Mar-19 ₹ in Lakhs
Ex-gratia	12,899	9,293	12,878	9,314
Compensated absences	107	225	130	202
Gratuity	1,969	565	316	2,218
Heritage Club	112	135	40	206
Total	15,087	10,218	13,364	11,941

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Provisions made for the year ended 31 March 2018 comprises of:

Particulars	Opening balance as on 1-Apr-17 ₹ in Lakhs	Provided during the year ended 31-Mar-18 ₹ in Lakhs	Provision Paid / reversed during the year ended 31-Mar-18 ₹ in Lakhs	Closing balance as on 31-Mar-18 ₹ in Lakhs
Ex-gratia	8,392	14,133	9,626	12,899
Compensated absences	148	184	225	107
Gratuity	1,354	618	3	1,969
Heritage Club	93	63	44	112
Total	9,987	14,998	9,898	15,087

NOTE 45 : PROPOSED DIVIDEND

The final dividend proposed for the year is as follows:

	As at 31-Mar-19	As at 31-Mar-18
On Equity Shares of Re.1 each		
Amount of dividend proposed including dividend distribution tax (₹ in lakhs)	7,903	7,871
Dividend per equity share (₹)	4.5	4.5

NOTE 46 : CREDIT RATINGS

- During the year, CRISIL has re-affirmed the rating of 'CRISIL A1+' (pronounced 'CRISIL A one Plus') to the Commercial Paper Programme of the company for ₹ 1,30,000 lakhs (Previous year ₹ 1,30,000 lakhs). The rating indicates very strong degree of safety regarding timely servicing of financial obligations.
- India Ratings and Research affirmed the Credit Rating of "IND A1+" (pronounced 'IND A One Plus') to the Commercial Paper Programme of ₹ 1,30,000 lakhs (previous year: ₹ 1,30,000 Lakhs) of the Company. The rating indicates very strong degree of safety regarding timely servicing of financial obligations.
- ICRA has re-affirmed the rating of ICRA AA rating with stable outlook (pronounced ICRA double A rating with Stable Outlook') to the Long Term Debt Programme for ₹ 35,000 lakhs (previous year: ₹ 25,000 Lakhs) of Motilal Oswal Financial Services Limited.
- CRISIL Limited re-affirmed the credit rating of "CRISIL A1+" to the Commercial Paper Programme of ₹ 25,000 lakhs of Motilal Oswal Finvest Limited, 100% subsidiary of the company.

NOTE 47 : AMOUNT OF MARGIN MONEY AND SHARES RECEIVED FROM CLIENTS AND OUTSTANDING AS ON 31 MARCH, 2019 ARE AS FOLLOWS:

Security Settlement for the	In the form of Securities at market Value*	Bank Guarantees and Fixed Deposits	Received in bank
Year ended 31 March 2019	1,92,492	2,710	28,979
Year ended 31 March 2018	2,56,989	3,194	20,465

*Margin money received in the form of securities from clients, as per the Regulations, is held by the Company. Out of this, securities worth ₹ 1,68,113 Lakhs (Previous year ₹ 1,84,469 Lakhs) are pledged with Exchange as on March 31, 2019.

NOTE 48 : CORPORATE SOCIAL RESPONSIBILITY

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from April 1, 2014. As per the provisions of the said section, the Company has undertaken the following CSR initiatives during the financial year 2018-19

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd.)

CSR initiatives majorly includes supporting under privileged in education, medical treatments, etc and various other charitable and noble aids.

a) Gross amount required to be spent by the Group during the year ₹ 927 lakhs (Previous Year ₹ 587 lakhs)

b) **Amount spent during the year on :**

Particulars	Amount Paid 31-Mar-19 ₹ in Lakhs	Amount Paid 31-Mar-18 ₹ in Lakhs
a) Construction/acquisition of any asset :	800	19
b) On purposed other than (a) above are as follows:	290	683
Total	1,090	702

c) Above includes a contribution of ₹ 960 lakhs (Previous year ₹ 431 lakhs) to Motilal Oswal Foundation which is classified as related party under IndAS 24 - " Related Party Disclosures".

NOTE 49 : ASSETS PLEDGED AS SECURITY

Particulars	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Financial assets			
First charge			
Receivables			
(I) Trade receivables	57,000	47,000	–
Loans	3,26,501	3,58,964	3,22,329
Floating charge			
Investments	1,05,383	92,932	–
Non-financial assets			
First charge			
Property, plant and equipment	41,510	41,510	41,510
Total assets pledged as security	5,30,394	5,40,406	3,63,839

Terms and conditions:

- Investments, Trade receivables, Loans and Property, plant and equipments are pledge with Banks and NBFCs to against borrowing facilities taken by the Group.
- The margin of two times cover is provided against the loan facilities for pledge of Investments and Trade receivables and 1.67 times for Property, plant and equipment.

NOTE 50 : RELATED PARTY DISCLOSURE

I. List of related parties and their relationship

A) Holding Company

- Passionate Investment Management Private Limited

B) Enterprises in which Key Managerial Personnel have control

- OSAG Enterprises LLP

C) Enterprises in which Key Management Personnel and their relatives excersises Significant Influence:

- Raamdeo Agarawal (HUF)
- Navshital Consultants LLP
- Textile Exports Private Limited
- Motilal Oswal Foundation (Trust)
- Motilal Oswal HUF
- Like Minded Wealth Creation Trust
- VISU Associates

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

D) Key Management Personnel

1. Mr. Motilal Oswal - Chairman and Managing Director
2. Mr. Raamdeo Agarawal - Managing Director
3. Mr. Naveen Agarawal - Managing Director
4. Mr. Ajay Menon - Director
5. Mr. Praveen Tripathi - Independent Director
6. Mr. Rekha Utsav Shah - Independent Director
7. Mrs. Sharda Agarwal - Independent Director
8. Mr. Vivek Paranjpe - Independent Director

F) Relatives of Key Management Personnel/Enterprise in which relatives of Key Management Personnel have significant influence:-

1. Ms. Vimla Oswal - Spouse of Mr. Motilal Oswal
2. Ms. Vimladevi Salecha - Sister of Mr. Motilal Oswal
3. Mr. Rajendra Gopilal Oswal - Brother of Mr. Motilal Oswal
4. Ms. Suneeta Agarawal - Spouse of Mr. Raamdeo Agarawal
5. Dr. Karoon Ramgopal Agarawal - Brother of Mr. Raamdeo Agarawal
6. Mr. Vinay R. Agrawal - Brother of Mr. Raamdeo Agarawal
7. Mr. Sukhdeo Ramgopal Agarawal - Brother of Mr. Raamdeo Agarawal
8. Mr. Govinddeo R. Agarawal - Brother of Mr. Raamdeo Agarawal
9. Mr. Satish Agrawal - Brother of Mr. Raamdeo Agarawal
10. Ms. Suman Agrawal - Sister of Mr. Raamdeo Agarawal
11. Ms. Anita Anandmurthy Agrawal - Sister of Mr. Raamdeo Agarawal
12. Mr. Vaibhav Agarwal - Son of Mr. Raamdeo Agarawal

G) Associate Enterprises

1. India Reality Excellence Fund II LLP

II. Transactions with related parties and outstanding balances:

a) Transactions with related parties:

₹ in Lakhs

Particulars	Name of the related party	Holding company		Key managerial personnel/relative of key managerial personnel		Associate enterprise		Total	
		For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Interest (income)/ expense	Passionate Investment Management Private Limited	(2)	(7)	-	-	-	-	(2)	(7)
	India Reality Excellence Fund II LLP	-	-	-	-	-	(21)	-	(21)
	Like Minded	-	-	(4)	-	-	-	(4)	-
Total		(2)	(7)	(4)	-	-	(21)	(6)	(28)
Managerial remuneration	Mr. Motilal Oswal	-	-	241	240	-	-	241	240
	Mr. Raamdeo Agarawal	-	-	277	279	-	-	277	279
Total		-	-	518	519	-	-	518	519

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

₹ in Lakhs

Particulars	Name of the related party	Holding company		Key managerial personnel/relative of key managerial personnel		Associate enterprise		Total	
		For the year ended 31-Mar-19	For the year ended 31-Mar-18	For the year ended 31-Mar-19	For the year ended 31-Mar-18	For the year ended 31-Mar-19	For the year ended 31-Mar-18	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Donation given	Motilal Oswal Foundation (Trust)	–	–	656	520	–	–	656	520
Total		–	–	656	520	–	–	656	520
Rent (received)/ paid	Passionate Investment Management Private Limited	(1)	(1)	–	–	–	–	(1)	(1)
	Textile Exports Private Limited	–	–	16	16	–	–	16	16
Total		(1)	(1)	16	16	–	–	15	15
Business support service (received)/ paid	Passionate Investment Management Private Limited	(1)	(1)	–	–	–	–	(1)	(1)
	OSAG Enterprises LLP	–	–	(1)	(1)	–	–	(1)	(1)
Total		(1)	(1)	(1)	(1)	–	–	(2)	(2)
Brokerage (received)	Mr. Motilal Oswal	–	–	4	(1)	–	–	4	(1)
	Mr. Raamdeo Agarawal	–	–	3	(1)	–	–	3	(1)
Total		–	–	7	(2)	–	–	7	(2)
Partnership (gain)	India Reality Excellence Fund II LLP	–	–	–	–	1,192	1,408	1,192	1,408
(Gain) on sale of investment	India Reality Excellence Fund II LLP	–	–	–	–	359	233	359	233
Loans given / (received)	Passionate Investment Management Private Limited	–	540	–	–	–	–	–	540
Loans repayment (received) / given	Passionate Investment Management Private Limited	–	(540)	–	–	–	–	–	(540)
	India Reality Excellence Fund II LLP	–	–	–	–	–	(3,210)	–	(3,210)
Dividend paid	Mr. Motilal Oswal	–	–	979	834	–	–	979	834
	Mr. Raamdeo Agarawal	–	–	946	807	–	–	946	807
	Motilal Oswal-HUF	–	–	0	0	–	–	0	0
	Raamdeo Agarawal (HUF)	–	–	55	46	–	–	55	46
	Ms. Suneeta Agarawal	–	–	25	21	–	–	25	21
	Ms. Vimla Oswal	–	–	11	9	–	–	11	9
	Mr. Rajendra Gopilal Oswal	–	–	5	4	–	–	5	4
	Dr. Karoon Ramgopal Agarawal	–	–	9	7	–	–	9	7
	Mr. Vinay R. Agrawal	–	–	9	7	–	–	9	7
	Mr. Sukhdeo Ramgopal Agarawal	–	–	7	6	–	–	7	6

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

₹ in Lakhs

Particulars	Name of the related party	Holding company		Key managerial personnel/relative of key managerial personnel		Associate enterprise		Total	
		For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
	Mr. Govinddeo R. Agarawal	–	–	5	4	–	–	5	4
	Ms. Suman Agrawal	–	–	9	7	–	–	9	7
	Mr. Satish Agrawal	–	–	7	6	–	–	7	6
	Ms. Anita Anandmurthy Agrawal	–	–	7	6	–	–	7	6
	Ms. Vimladevi Salecha	–	–	0	1	–	–	0	1
	Osag Enterprises LLP	–	–	0	0	–	–	0	0
	Passionate Investment Management Private Limited.	6,629	5,403	–	–	–	–	6,629	5,403
Total		6,629	5,403	2,074	1,765	–	–	8,703	7,168
Portfolio management services fee	Mr. Raamdeo Agarawal	–	–	2	–	–	–	2	–
	Mr. Vaibhav Agarwal	–	–	12	–	–	–	12	–
	Mr. Aashish P Somaiyaa	–	–	1	–	–	–	1	–
	Mr. Ashok Jain	–	–	3	–	–	–	3	–
	Ms. Rekha Shah	–	–	0	–	–	–	0	–
	Ms. Shalini Somaiyaa	–	–	0	–	–	–	0	–
	Ms. Suneeta Agarawal	–	–	19	–	–	–	19	–
Total		–	–	37	–	–	–	37	–

b) Outstanding balances of related parties:

₹ in Lakhs

Particulars	Name of the related party	Enterprise in which key managerial personnel exercise significant influence/holding company		Key managerial personnel/relative of key managerial personnel		Associate enterprise		Total	
		For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
		31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Security deposit	Passionate Investment Management Private Limited.	0	1	–	–	–	–	–	1
Loans and advances given / (received)	Passionate Investment Management Private Limited.	0	1	–	–	–	–	–	1
Investment outstanding balance	India Reality Excellence Fund II LLP	–	–	–	–	710	5,863	710	5,863

Note : As the liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

NOTE 51 : DISCLOSURE PUSUANT TO IND AS -19 “EMPLOYEE BENEFITS”

Disclosure pursuant to Ind AS -19 “Employee benefits” is given as below:

(a) Defined Contribution Plan

Contribution to defined contribution plans, recognised as expense for the year is as under :

Particulars	31-Mar-19 ₹ in Lakhs	31-Mar-18 ₹ in Lakhs
Employers Contribution to Provident Fund and Administrative Expenses	800	713
Employers Contribution to ESIC	144	136
Employers Contribution to NPS	35	28
Total	979	877

(b) Defined benefit plan

The Group provides for gratuity benefit which is a defined benefit plan covering all its eligible employees. This plan is unfunded.

The gratuity benefits are subject to a maximum limit of up to ₹ 20 lakhs.

The following table set out the status of the gratuity plan as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended) under Ind AS 19 “Employee benefits” and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

(₹ in Lakhs)

Particulars	Gratuity		Heritage club benefits	
	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
I) Actuarial assumptions				
Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Discount Rate (per annum)	7.93%	7.28%	7.12%	5.60%
Rate of escalation in salary (per annum)	12.80%	10.48%	1.29%	0.00%
Expected rate of return on plan assets (per annum)	–	–	–	–
Employee Attrition Rate (Past Service)	PS: 0 to 37 : 19.34%	PS: 0 to 37 : 19.34%	–	–
Expected average remaining service				
I) Changes in present value of obligations (PVO)				
PVO at beginning of period	1,969	1,354	112	93
Interest cost	51	92	0	–
Current service cost	747	1,144	135	63
Past service cost - (non vested benefits)	0	13	–	–
Past service cost - (vested benefits)	–	107	–	–
Transfer In-Liability	(41)	–	–	–
Transfer Out-Liability	(2)	–	–	–
Benefits paid	(316)	(4)	(40)	(44)
Contributions by plan participants	–	–	–	–
Business Combinations	–	–	–	–
Curtailments	–	–	–	–
Settlements	–	–	–	–
Actuarial (Gain)/Loss on obligation	(190)	(617)	–	–
PVO at end of period	2,218	1,969	207	112
II) Interest expense				
Interest cost	51	35	0	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

(₹ in Lakhs)

Particulars	Gratuity		Heritage club benefits	
	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
III) fair value of plan assets				
Fair Value of Plan Assets at the beginning	–	–	–	–
Interest income	–	–	–	–
IV) Net Liability				
PVO at beginning of period	1,969	1,354	112	93
Fair Value of the Assets at beginning report	–	–	–	–
Unrecognised past service cost- non vested benefits				
Net Liability at the beginning of the period	1,969	1,354	112	93
V) Net Interest				
Interest Expenses	51	35	0	–
Interest Income	–	–	–	–
Net Interest	51	35	0	–
VI) Actual return on plan assets				
Less Interest income included above	–	–	–	–
Return on plan assets excluding interest income	–	–	–	–
VII) Actuarial (Gain)/loss on obligation				
Due to Demographic Assumption	(394)	(63)	–	–
Due to Financial Assumption	130	28	–	–
Due to Experience	74	(582)	–	–
Total Actuarial (Gain)/Loss	(190)	(617)	–	–
VIII) Fair Value of Plan Assets				
Opening Fair Value of Plan Asset	–	–	–	–
Adjustment to Opening Fair Value of Plan Asset	–	–	–	–
Return on Plan Assets excl. interest income	–	–	–	–
Interest Income	–	–	–	–
Contributions by Employer	108	49	–	–
Contributions by Employee	–	–	–	–
Benefits Paid	(108)	(49)	–	–
Fair Value of Plan Assets at end	–	–	–	–
IX) Past Service Cost Recognised				
Past Service Cost- (non vested benefits)	6	13	–	–
Past Service Cost -(vested benefits)	–	107	–	–
Average remaining future service till vesting of the benefit	–	4	–	–
Recognised Past service Cost- non vested benefits	6	8	–	–
Recognised Past service Cost- vested benefits	–	107	–	–
Unrecognised Past Service Cost- non vested benefits	–	6	–	–
X) Amounts to be recognized in the balance sheet and statement of profit & loss account				
PVO at end of period	2,218	1,969	207	112
Fair Value of Plan Assets at end of period	–	–	–	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

(₹ in Lakhs)

Particulars	Gratuity		Heritage club benefits	
	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18	For the Year ended 31-Mar-19	For the Year ended 31-Mar-18
Funded Status	(2,218)	(1,969)	(207)	(112)
Unrecognised past service cost - non vested benefits	–	–	–	–
Net Asset/(Liability) recognized in the balance sheet	(2,218)	(1,969)	(207)	(112)
XI) Expense recognised in the statement of profit and loss				
Current service cost	699	846	135	63
Net Interest	51	91	0	–
Past service cost - (non vested benefits)	6	13	–	–
Past service cost - (vested benefits)	–	291	–	–
Curtailement Effect	–	–	–	–
Settlement Effect	–	–	–	–
Unrecognised past service cost - non vested benefits	–	(6)	–	–
Actuarial (Gain)/Loss recognized for the period	–	–	–	–
Expense recognized in the statement of profit and loss	755	1,235	135	63
XII) Other Comprehensive Income (OCI)				
Actuarial (Gain)/Loss recognized for the period	(189)	(617)	–	–
Asset limit effect	–	–	–	–
Return on Plan Assets excluding net interest	–	–	–	–
Unrecognized Actuarial (Gain)/ Loss from previous period	(1)	–	–	–
Total Actuarial (Gain)/ Loss recognized in (OCI)	(190)	(617)	–	–
XIII) Movement in liability recognized in balance sheet				
Opening net liability	1,969	1,354	112	93
Adjustment to opening balance	–	–	–	–
Transfer In-Liability	(41)	–	–	–
Transfer Out-Liability	(2)	–	–	–
Expenses as above	798	1,235	135	63
Contribution paid	(317)	(3)	(40)	(43)
Other Comprehensive Income(OCI)	(190)	(617)	–	–
Closing net liability	2,218	1,969	207	112
XIV) Projected Service Cost 31 Mar 2020	674	–	1	–
XV) Asset Information				
Cash and Cash Equivalents	–	–	–	–
Gratuity Fund ()	–	–	–	–
Debt Security - Government Bond	–	–	–	–
Equity Securities - Corporate debt securities	–	–	–	–
Other Insurance contracts	–	–	–	–
Property	–	–	–	–
Total Itemized Assets	–	–	–	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

XVI) Sensitivity Analysis

(₹ in Lakhs)

Particulars	DR: Discount Rate		ER : Salary escalation rate:	
	PVO DR +1%	PVO DR -1%	PVO ER -1%	-
PVO	2,217	2,348	1,125	2,201

XVII) Expected Payout

(₹ in Lakhs)

Year	Expected			Expected Outgo		
	Outgo First	Outgo Second	Outgo Third	Fourth	Fifth	Six to ten years
Payouts	684	500	361	277	216	1,848

Asset Liability Comparisons

(₹ in Lakhs)

Year	31-Mar-15	31-Mar-16	31-Mar-17	31-Mar-18	31-Mar-19
PO at End of period	255	354	521	791	2,218
Plan Assets	-	-	-	-	-
Surplus/(Deficit)	(255)	(354)	(521)	(791)	(2,218)
Experience adjustments on plan assets	-	-	-	-	-

NOTE 52 : DISCLOSURE RELATING TO EMPLOYEE STOCK OPTION SCHEME

Details of stock options

Motilal Oswal Asset Management Company Limited -Employees' Stock Option Scheme - I (ESOP - I)

The ESOP - I was approved by the Board of Directors at the allotment committee meeting on July 22 , 2010 for grant of 20 lakhs equity shares of ₹ 10 each.

Motilal Oswal Asset Management Company Limited -Employees' Stock Option Scheme - II (ESOP - II)

The ESOP - II was approved by the Board of Directors at the allotment committee meeting on June 26, 2014 for grant of 32.50 lakhs equity shares of ₹ 10 each.

Motilal Oswal Financial Services Limited -Employees' Stock Option Scheme -III' (ESOP-III)

The Scheme was approved by Board of Directors on 23 January 2006 and by the shareholders in EGM dated 03 February 2006 and EGM dated 28 April 2006 and is for issue of 1,167,275 options representing 1,167,275 Equity shares of ₹ 2 each.

Motilal Oswal Financial Services Limited -Employees' Stock Option Scheme -V' (ESOP-V)

The Scheme was approved by Board of Directors on 18 October 2007 and by the shareholders on 4 December 2007 by postal ballot and is for issue of 2,500,000 options representing 2,500,000 Equity shares of Re. 1 each

Motilal Oswal Financial Services Limited -Employees' Stock Option Scheme -VI' (ESOP-VI)

The Scheme was approved by Board of Directors on 21 April 2008 and by the shareholders in AGM dated 08 July 2008 and is for issue of 5,000,000 options representing 5,000,000 Equity shares of Re. 1 each

Motilal Oswal Financial Services Limited -Employees' Stock Option Scheme -VII' (ESOP-VII)

The Scheme was approved by Board of Directors on 19 July 2014 and by the shareholders in AGM dated 22 August 2014 and is for issue of 2,500,000 options representing 2,500,000 Equity shares of Re. 1 each

Motilal Oswal Financial Services Limited -Employees Stock Option Scheme -VIII (ESOS-VIII)

The Scheme was approved by Board of Directors on 27 April 2017 and by the shareholders in AGM dated 27 July 2017 and is for issue of 30,00,000 options representing 30,00,000 Equity shares of Re. 1 each

Motilal Oswal Wealth Management Limited -Employees' Stock Option Scheme -I' (ESOP-I)

The ESOS - I was approved by the Board of Directors at its meeting on April 22 , 2016 and by the members at the meeting held on April 29, 2016) consisting of 8,000 Stock Option of Rupees 10 each and further the Board approved the grant of 7,800 Stock Options of Rupees 10 each to the employees of the Company.

Pursuant to approval of the members at its meeting dated February 20, 2017 for sub-division of face value of equity shares from Rupees 10 to Rupee 1 each, the total number of options allotted and granted also stands sub-divided i.e. total kitty of 80,000 stock option of Rupee 1 each and total grant of 78,000 stock option of Re 1 each.

Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2014 - (ESOS - 2014) - Grant I

The Scheme was approved by Board of Directors on 11 September 2014 and by the shareholders in EGM dated 16 October 2014 for issue of 27,150,000 options representing 27,150,000 Equity shares of Re. 1 each, and same was granted by the nomination and remuneration committee at its meeting held on 13 April 2015.

Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2014 (ESOS - 2014) - Grant II

The Scheme was approved by Board of Directors on 11 September 2014 and by the shareholders in EGM dated 16 October 2014 for issue of 2,050,000 options representing 2,050,000 Equity shares of Re. 1 each and same was granted by the nomination and remuneration committee at its meeting held on 23 September 2015.

Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2016 (ESOS-2016) - Grant I

The Scheme was approved by Board of Directors on 29 April 2016 and by the shareholders in AGM dated 07 July 2016 for issue of 36,200,000 options representing 36,200,000 Equity shares of Re. 1 each and same was granted by the nomination and remuneration committee at its meeting held on 27 December 2016.

Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2016 (ESOS-2016) - Grant II

The Scheme was approved by Board of Directors on 29 April 2016 and by the shareholders in AGM dated 07 July 2016 for issue of 10,00,000 options representing 10,00,000 Equity shares of Re. 1 each same was granted by the nomination and remuneration committee through its circular resolution dated 17 February 2017.

Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2016 (ESOS-2016) - Grant III

The Scheme was approved by Board of Directors on 29 April 2016 and by the shareholders in AGM dated 07 July 2016 for issue of 1,550,000 options representing 1,550,000 Equity shares of Re. 1 each same was granted by the nomination and remuneration committee through its circular resolution dated 25 April 2017.

Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2016 (ESOS-2016) - Grant IV

The Scheme was approved by Board of Directors on 29 April 2016 and by the shareholders in AGM dated 07 July 2016 for issue of 2,41,00,000 options representing 2,41,00,000 Equity shares of Re. 1 each same was granted by the nomination and remuneration committee through its circular resolution dated 15 January 2019.

Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2016 (ESOS-2017) - Grant I

The Scheme was approved by Board of Directors on 25 April 2017 and by the shareholders in EGM dated 25 May 2017 for issue of 7,385,000 options representing 7,385,000 Equity shares of Re. 1 each same was granted by the nomination and remuneration committee through its circular resolution dated 23 June 2017.

Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2016 (ESOS-2017) - Grant II

The Scheme was approved by Board of Directors on 25 April 2017 and by the shareholders in EGM dated 25 May 2017 for issue of 1,050,000 options representing 1,050,000 Equity shares of Re. 1 each same was granted by the nomination and remuneration committee through its circular resolution dated 22 January 2018.

Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2016 (ESOS-2017) - Grant H-I (Issued to Holding Company Employees)

The Scheme was approved by Board of Directors on 25 April 2017 and by the shareholders in EGM dated 25 May 2017 for issue of 27,268,000 options representing 27,268,000 Equity shares of Re. 1 each same was granted by the nomination and remuneration committee through its circular resolution dated 23 June 2017.

The activity in the (ESOP-I), (ESOP-II), (ESOP-III), (ESOP-V), (ESOP-VI), ESOP (VII), MOWML ESOP (I), Aspire ESOS 2014 Grant - I, Aspire ESOS 2014 Grant - II, Aspire ESOS 2016 Grant - I and Aspire ESOS 2016 Grant - II during the year ended March 2019, March 2018 and March 2017 is set below:

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Particulars	As at	Weighted	As at	Weighted	As at	Weighted
	31-Mar-19	Average	31-Mar-18	Average	1-April-17	Average
	In Numbers	Exercise Price (In ₹)	In Numbers	Exercise Price (In ₹)	In Numbers	Exercise Price (In ₹)
The MOAMC (ESOP-I) : (Face value of ₹ 1 each)						
Option outstanding at the beginning of the year	1,65,00,000	13.40	1,70,00,000	13.03	17,00,000	1.00
Add: Granted	–	NA	–	NA	1,65,00,000	13.40
Less: Exercised	15,00,000	13.40	5,00,000	1.00	–	NA
Less: Forfeited	–	NA	–	NA	5,50,000	1.00
Less: Lapsed	–	NA	–	NA	6,50,000	1.00
Option outstanding end of the year	1,50,00,000	13.40	1,65,00,000	13.40	1,70,00,000	13.03
Exercisable at the end of the year	1,50,000	13.40	–	10.00	5,00,000	10.00
The MOAMC (ESOP-II) : (Face value of ₹ 1 each)						
Option outstanding at the beginning of the year	2,55,13,624	2.75	3,12,50,000	2.41	2,92,50,000	1.68
Add: Granted	–	NA	–	NA	20,00,000	13.40
Less: Exercised	1,38,63,624	1.93	–	NA	–	NA
Less: Forfeited	–	NA	–	NA	–	NA
Less: Lapsed	–	NA	57,36,376	1.37	–	NA
Option outstanding end of the year	1,16,50,000	3.73	2,55,13,624	2.75	3,12,50,000	2.41
Exercisable at the end of the year	98,50,000	1.96	2,35,13,624	1.85	1,62,50,000	1.68
The MOFSL (ESOS-III) : (Face value of ₹ 2 each)						
Option outstanding at the beginning of the year	–	–	9,250	103.78	9,250	103.78
Add Granted	–	–	–	NA	–	NA
Less: Exercised	–	–	–	NA	–	NA
Less: Forfeited	–	–	–	NA	–	NA
Less: Lapsed	–	–	9,250	103.78	–	NA
Option outstanding end of the year	–	–	–	103.78	9,250	103.78
Exercisable at the end of the year	–	–	–	–	–	–
The MOFSL (ESOP-V) : (Face value of ₹ 1 each)						
Option outstanding at the beginning of the year	5,56,140	249.03	9,94,090	257.74	11,95,925	208.70
Add Granted	–	–	–	–	88,075	572.30
Less: Exercised	2,19,240	160.19	4,37,950	268.80	2,71,410	142.63
Less: Forfeited	–	–	–	NA	–	NA
Less: Lapsed	–	–	–	NA	18,500	148.20
Option outstanding end of the year	3,36,900	306.84	5,56,140	249.03	9,94,090	257.74
Exercisable at the end of the year	70,625	291.00	32,500	–	1,62,875	–
The MOFSL (ESOP-VI) : (Face value of ₹ 1 each)						
Option outstanding at the beginning of the year	3,53,227	302.33	4,26,669	296.97	20,29,350	157.56
Add Granted	–	–	–	NA	1,45,150	572.75
Less: Exercised	94,660	148.64	73,442	271.17	17,01,581	108.29
Less: Forfeited	–	–	–	NA	–	NA
Less: Lapsed	–	–	–	NA	46,250	102.73
Option outstanding end of the year	2,58,567	358.48	3,53,227	302.33	4,26,669	296.97
Exercisable at the end of the year	1,30,699	182.38	90,200	–	9,792	–
The MOFSL (ESOP-VII) : (Face value of ₹ 1 each)						
Option outstanding at the beginning of the year	20,74,900	412.81	21,89,590	414.30	24,32,500	333.85
Add Granted	–	–	–	NA	7,07,750	569.52
Less: Exercised	2,82,900	340.26	1,14,690	441.23	3,10,410	331.31
Less: Lapsed	–	–	–	NA	6,40,250	330.58
Option outstanding end of the year	17,92,000	424.45	20,74,900	412.81	21,89,590	414.30

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Particulars	As at	Weighted	As at	Weighted	As at	Weighted
	31-Mar-19	Average	31-Mar-18	Average	1-April-17	Average
	In Numbers	Exercise Price (In ₹)	In Numbers	Exercise Price (In ₹)	In Numbers	Exercise Price (In ₹)
Exercisable at the end of the year	3,03,050	389.35	–	–	46,090	–
The MOFSL (ESOP-VIII) : (Face value of ₹ 1 each)						
Option outstanding at the beginning of the year	–	–	21,89,590	414.30	24,32,500	333.85
Add Granted	10,00,000	867.45	–	–	7,07,750	569.52
Less: Exercised	–	–	–	–	3,10,410	331.31
Less: Lapsed	–	–	–	–	6,40,250	330.58
Option outstanding end of the year	10,00,000	867.45	21,89,590	412.81	21,89,590	414.30
Exercisable at the end of the year	–	–	–	–	46,090	–
The MOWML (ESOS-I) : (Face value of ₹ 1 each)						
Option outstanding at the beginning of the year	72,000	250.00	72,000	250.00	–	NA
Add Granted	6,000	815.00	–	NA	72,000	250.00
Less: Exercised	–	NA	–	NA	–	NA
Less: Forfeited	–	NA	–	NA	–	NA
Less: Lapsed	–	NA	–	NA	–	NA
Option outstanding end of the year	78,000	293.46	72,000	250.00	72,000	250.00
Exercisable at the end of the year	13,200	250.00	–	–	–	–
The AHFCL ESOS 2014 (Grant-I) : (Face value of ₹ 1 each)						
Option outstanding at the beginning of the year	1,12,50,000	1.00	2,71,50,000	1.00	2,71,50,000	1.00
Add Granted	–	–	–	–	–	–
Less: Exercised	–	1.00	1,59,00,000	–	–	–
Less: Lapsed	–	–	–	–	–	–
Option outstanding end of the year	1,12,50,000	1.00	1,12,50,000	1.00	2,71,50,000	1.00
Exercisable at the end of the year	3,90,000	1.00	–	1.00	81,45,000	–
The AHFCL ESOS (Grant-II) : (Face value of ₹ 1 each)						
Option outstanding at the beginning of the year	11,20,000	1.00	20,50,000	1.00	20,50,000	1.00
Add Granted	–	–	–	–	–	–
Less: Exercised	–	–	9,30,000	–	–	–
Less: Lapsed	–	–	–	–	–	–
Option outstanding end of the year	11,20,000	1.00	11,20,000	1.00	20,50,000	1.00
Exercisable at the end of the year	3,00,000	1.00	3,00,000	–	6,15,000	–
The AHFCL (ESOS 2016) - Grant I : (Face value of Re. 1 each) *						
Option outstanding at the beginning of the year	3,62,00,000	1.60	3,62,00,000	1.60	–	–
Add: Granted	–	–	–	–	3,62,00,000	1.60
Less: Exercised	–	–	–	–	–	–
Less: Lapsed	–	–	–	–	–	–
Option outstanding end of the year	3,62,00,000	1.60	3,62,00,000	1.60	3,62,00,000	1.60
Exercisable at the end of the year	36,20,000	1.60	–	–	–	–
The AHFCL (ESOS 2016) - Grant II : (Face value of Re. 1 each) *						
Option outstanding at the beginning of the year	10,00,000	1.60	10,00,000	1.60	–	–
Add: Granted	–	–	–	–	10,00,000	1.60
Less: Exercised	–	–	–	–	–	–
Less: Lapsed	–	–	–	–	–	–
Option outstanding end of the year	10,00,000	1.60	10,00,000	1.60	10,00,000	1.60

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Particulars	As at	Weighted	As at	Weighted	As at	Weighted
	31-Mar-19	Average	31-Mar-18	Average	1-April-17	Average
	In Numbers	Exercise Price (In ₹)	In Numbers	Exercise Price (In ₹)	In Numbers	Exercise Price (In ₹)
Exercisable at the end of the year	1,00,000	1.60	–	–	–	–
The AHFCL (ESOS 2016) - Grant III : (Face value of Re. 1 each) *					–	–
Option outstanding at the beginning of the year	15,50,000	1.60	–	–	–	–
Add: Granted	–	–	15,50,000	1.60	–	–
Less: Exercised	–	–	–	–	–	–
Less: Lapsed	–	–	–	–	–	–
Option outstanding end of the year	15,50,000	1.60	15,50,000	1.60	–	–
Exercisable at the end of the year	–	–	–	–	–	–
The AHFCL (ESOS 2016) - Grant IV : (Face value of Re. 1 each) *						
Option outstanding at the beginning of the year	–	–	–	–	–	–
Add: Granted	2,41,00,000	3.00	–	–	–	–
Less: Exercised	–	–	–	–	–	–
Less: Lapsed	–	–	–	–	–	–
Option outstanding end of the year	2,41,00,000	3.00	–	–	–	–
Exercisable at the end of the year	–	–	–	–	–	–
The AHFCL (ESOS 2017) - Grant I : (Face value of Re. 1 each) *						
Option outstanding at the beginning of the year	73,85,000	1.60	–	–	–	–
Add: Granted	–	–	73,85,000	1.60	–	–
Less: Exercised	–	–	–	–	–	–
Less: Lapsed	–	–	–	–	–	–
Option outstanding end of the year	73,85,000	1.60	73,85,000	1.60	–	–
Exercisable at the end of the year	–	–	–	–	–	–
The AHFCL (ESOS 2017) - Grant II : (Face value of Re. 1 each) *						
Option outstanding at the beginning of the year	10,50,000	5.80	–	–	–	–
Add: Granted	–	–	10,50,000	5.80	–	–
Less: Exercised	–	–	–	–	–	–
Less: Lapsed	–	–	–	–	–	–
Option outstanding end of the year	10,50,000	5.80	10,50,000	5.80	–	–
Exercisable at the end of the year	–	–	–	–	–	–
The AHFCL (ESOS 2017) - Grant H-I : (Face value of Re. 1 each) *						
Option outstanding at the beginning of the year	2,93,90,000	1.60	–	–	–	–
Add: Granted	–	–	2,93,90,000	1.60	–	–
Less: Exercised	21,22,000	1.60	–	–	–	–
Less: Lapsed	–	–	–	–	–	–
Option outstanding end of the year	2,72,68,000	1.60	2,93,90,000	1.60	–	–
Exercisable at the end of the year	8,17,000	1.60	–	–	–	–

* Pursuant to the approval of members in the Extraordinary General Meeting of AHFCL held on 23 February 2017 the face value of the equity shares of the AHFCL was changed from ₹ 10 each to Re. 1 each. Accordingly effect has been given to stock options outstanding as at 31 March 2017 and also exercise price of stock options granted under AHFCL ESOS 2014 and AHFCL ESOS 2016 has been adjusted accordingly.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Employees' Stock Options Scheme (ESOP) :

Particulars	MOAMC Scheme I	MOAMC Scheme II	MOFSL Scheme V	MOFSL Scheme VI	MOFSL Scheme VII	MOFSL Scheme VIII	Scheme I (MOWM)	
Date of Grant	22-Jul-10	26-Jun-14	Various Dates	Various Dates	21-Aug-18	04-Nov-17	Various dates	
Date of Board Approval	21-Jul-10	21-Jul-11	Various Dates	Various Dates	27 April 2017	42852	22-Apr-16	
Date of Shareholder's approval	22-Jul-10	21-Jul-11	8 July 2008	22 August 2014	27 July 2017	27-Jul-2017	29-Apr-16	
Number of options granted	1,82,00,000	3,12,50,000	74,10,100	32,17,750	10,00,000	-	78,000	
Method of Settlement	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares	Equity Shares	Equity Shares	
Vesting Period	Not later than 6 years from the date of grant	Not later than 6 years from the date of grant	1 year to 5 years	1 year to 7 years	1 year to 4 years	1 Years to 5 Years	Not later than 7 years from the date of grant	
Weighted Average Remaining Contractual Life								
Current year -Granted but not Vested	7.23 Years	8.23 Years	3.83 years	4.58 years	3.97 years	5.42 years	5.81 Years	
Current year -Vested but not exercised	5 Years	5.84 Years	2.42 years	2.86 years	2.48 years	NA	3.00 Years	
Current year -Weighted Average Share Price at the date of exercise for stock options exercised during the year	28.87	28.22	₹ 789.48	₹ 805.83	₹ 735.01	NA	NA	
Previous year -Granted but not Vested	3.01 Years	8.91 Years	1.51 Years	2.19 Years	1.96 Years	NA	3.43 Years	
Previous year -Vested but not exercised	1.00 Year	1.00 Year	NA	0.50 Years	NA	NA	3.00 Years	
Previous year -Weighted Average Share Price at the date of exercise for stock options exercised during the year	NA	NA	₹ 1086.99	₹ 1127.32	₹ 1,072.67	NA	NA	
Exercise Period	Within a period of 72 months from the date of vesting	Within a period of 84 months from the date of vesting	Within 1 to 3 years of vesting of options				1 year to 3 years from the date of vesting and as per terms and conditions of scheme and grant	

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Particulars	MOAMC Scheme I	MOAMC Scheme II	MOFSL Scheme V	MOFSL Scheme VI	MOFSL Scheme VII	MOFSL Scheme VIII	Scheme I (MOWM)
Vesting Conditions	Vesting of Options would be subject to continued employment with the Company and /or its holding /subsidiary, and thus the Options would vest on passage of time. In addition to this, the Remuneration / Compensation Committee may also specify certain performance parameters subject to which the options would vest. In case of performance based vesting, the options would vest on achievement of performance parameters irrespective of the time horizon. However no such performance based vesting is mentioned in the ESOP-1 Scheme in MOWML.						
Weighted Average Fair Value of options as on grant date	49.25	8.42	₹ 127.42 (Previous year ₹ 111.42)	₹ 215.25 (Previous year ₹ 126.91)	₹ 178.19 (Previous year ₹ 165.99)	₹ 321.06 (Previous year ₹ NA)	642.70
Range of Risk free interest rate	6.97%	7.13%	6.05% - 7.8%	6.05% - 7.8%	6.97% - 7.8%	7.37%	7.37% - 7.72%
Dividend yield	1.00%	1.00%	1.00%	1.00%	1.00%	0.50%	1%
Expected volatility	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%

Particulars	Aspire ESOS 2014 Grant I	Aspire ESOS 2014 Grant II	Aspire ESOS 2016 - Grant I	Aspire ESOS 2016 - Grant II	Aspire ESOS 2016 - Grant III	Aspire ESOS 2016 - Grant IV	Aspire ESOS 2017 - Grant I	Aspire ESOS 2017 - Grant II	Aspire ESOS 2017 - Grant H-I
Date of Grant	13-Apr-15	23-Sep-15	27-Dec-16	17-Feb-17	25-Apr-17	15-Jan-19	23-Jun-17	22-Jan-18	23-Jun-17
Date of Board Approval	11-Sep-14	11-Sep-14	29-Apr-16	29-Apr-16	29-Apr-16	29-Apr-16	25-Apr-17	25-Apr-17	25-Apr-17
Date of Shareholder's approval	16-Oct-14	16-Oct-14	07-Jul-16	07-Jul-16	07-Jul-16	07-Jul-16	25-May-17	25-May-17	25-May-17
Number of options granted	27150000 *	2050000 *	36200000 *	1000000 *	1550000 *	24100000	7385000 *	1050000 *	29390000 *
Method of Settlement	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares
Vesting Period	30 April 2019 **	30 September 2017, 30 September 2019**	01 January 2019**, 01 January 2020**, 01 January 2021**, 01 January 2022**	01 March 2019, 01 March 2020, 01 March 2021, 01 March 2022.	01 March 2019, 01 March 2020, 01 March 2021, 01 March 2022.	01 April 2020, 01 April 2021, 01 April 2022, 01 April 2023.	01 July 2019, 01 July 2020, 01 July 2021, 01 July 2022	01 January 2020, 01 January 2021, 01 January 2022, 01 January 2023	01 July 2018, 01 July 2019, 01 July 2020, 01 July 2021, 01 July 2022

Weighted Average Remaining Contractual Life									
C.Y. -Granted but not Vested	1.08 year	1.50 years	2.48 years	2.64 years	2.59 years	3.51 years	2.71 years	3.26 years	2.17 years
C.Y. -Vested but not exercised	NIL	NIL	0.26 Years	0.42 Years	NA	NA	NA	NA	NA
C.Y. -Weighted Average Share Price at the date of exercise for stock options exercised during the year	NA	NA	NA	NA	NA	NA	NA	NA	₹ 3.00
Weighted Average Remaining Contractual Life									
P.Y. -Granted but not Vested	1.08 year	1.50 years	2.76 years	2.92 years	3.09 years	NA	3.26 years	3.76 years	2.51 years

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd.)

Particulars	Aspire ESOS 2014 Grant I	Aspire ESOS 2014 Grant II	Aspire ESOS 2016 - Grant I	Aspire ESOS 2016 - Grant II	Aspire ESOS 2016 - Grant III	Aspire ESOS 2016 - Grant IV	Aspire ESOS 2017 - Grant I	Aspire ESOS 2017 - Grant II	Aspire ESOS 2017 - Grant H-I
P.Y. -Vested but not exercised	NIL	0.50 year	NA	NA	NA	NA	NA	NA	NA
P.Y. -Weighted Average Share Price at the date of exercise for stock options exercised during the year	Re. 1.00	NA	NA	NA	NA	NA	NA	NA	NA
Exercise Period	Within a period of 6 months from the date of vesting or in case of resignation, the options shall be exercised within 6 months from the date of resignation or such extended period as may be decided by the Nomination and Remuneration Committee.								
Vesting Conditions	Vesting of Options would be subject to continued employment with the Company and/or its holding/subsidiary, and thus the Options would vest on passage of time. In addition to this, the Remuneration/Compensation Committee may also specify certain performance parameters subject to which the options would vest. In case of performance based vesting, the options would vest on achievement of performance parameters irrespective of the time horizon. However no such performance based vesting is mentioned in the ESOP-1 Scheme in MOWML.								
Weighted Average Fair Value of options as on grant date	Re. 0.39	Re. 0.36	Re. 0.68	Re. 0.71	Re. 0.75	Re. 0.75	Re. 0.79	Re. 0.44	Re. 0.70
Range of Risk free interest rate	8.40%	7.72%	6.97%	6.97%	6.79%	7.37%	6.79%	6.79%	6.79%
Dividend yield	1.00%	1.00%	1.00%	1.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Expected volatility	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%

** The vesting period of the Grant I & II of AHFCL ESOS 2014 and Grant I of ESOS 2016 has been extended from 6 months to 1 year pursuant to the resolution passed by the nomination and remuneration committee at its meeting held on 22 January 2018.

*Expected volatility has been calculated of listed holding company shares of Motilal Oswal Financial Services Limited long term average since listing.

The exercise pricing formula for MOAMC ESOP schemes are as under:

Scheme I

"The Committee shall have the authority to determine the Exercise Price having regard to the valuation report of an independent practicing chartered accountant that may be based on such valuation method, as may be considered suitable by him, including but not restricted to the Net Asset Value Method, Discounted Cash Flow Method, Earnings Capitalisation Method, Dividend Yield Model, etc. and may also rely upon the future projections of the Company which would be prepared by the management from time to time having regard to the future potential and prospects of the Company. The Committee shall in its absolute discretion, have the authority to grant the Options at such discount as it may deem fit."

Scheme II

"The Committee shall have the authority to determine the Exercise Price having regard to the valuation report of an independent practicing chartered accountant that may be based on such valuation method, as may be considered suitable by him, including but not restricted to the Net Asset Value Method, Discounted Cash Flow Method, Earnings Capitalisation Method, Dividend Yield Model, etc. and may also rely upon the future projections of the Company which would be prepared by the management from time to time having regard to the future potential and prospects of the Company. The Committee shall in its absolute discretion, have the authority to grant the Options at such discount as it may deem fit."

The exercise pricing formula for MOWML ESOP schemes are as under:

"The Committee shall have the authority to determine the Exercise Price having regard to the valuation report of an independent practicing chartered accountant that may be based on such valuation method, as may be considered suitable

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

by him, including but not restricted to the Net Asset Value Method, Discounted Cash Flow Method, Earnings Capitalisation Method, Dividend Yield Model, etc. and may also rely upon the future projections of the Company which would be prepared by the management from time to time having regard to the future potential and prospects of the Company. The Committee shall in its absolute discretion, have the authority to grant the Options at such discount as it may deem fit."

The exercise pricing formula for MOFSL ESOP schemes are as under:

Scheme V

Exercise price shall be the closing price of the Company's equity shares quoted on the BSE immediately preceding the date of Grant of the Stock Options, which for this purpose shall be the date on which the Committee grant the Stock Options, discounted by such percentage as may be determined by the Committee in the best interest of the various stakeholders in the prevailing market conditions

Scheme VI

Exercise price shall be the closing price of the Company's Equity Shares, prior to the date of grant of the Options, on the Stock Exchanges where the highest trading volume is recorded, discounted / increased by such percentage as may be determined by the Committee.

Scheme VII

Exercise price shall be the closing price of the Company's Equity Shares, prior to the date of grant of the Options, on the Stock Exchanges where the highest trading volume is recorded, discounted / increased by such percentage as may be determined by the Committee.

Scheme VIII

Exercise price shall be the closing price of the Company's Equity Shares, prior to the date of grant of the Options, on the Stock Exchanges where the highest trading volume is recorded, discounted / increased by such percentage as may be determined by the Committee.

The exercise pricing formula for AHFCL ESOS 2014 and AHFCL ESOS 2016 are as under:

The nomination and remuneration committee shall have the authority to determine the exercise price having regard to the valuation report of an independent practicing chartered accountant that may be based on such valuation method, as may be considered suitable by him, including but not restricted to the Net Asset Value Method, Discounted Cash Flow Method, Earnings Capitalisation Method, Dividend Yield Model, etc. and may also rely upon the future projections of the Company which would be prepared by the management from time to time having regard to the future potential and prospects of the Company.

The said committee shall in its absolute discretion, have the authority to grant the options at such discount as it may deem fit.

Other Information regarding Employee Share Based Payment Plan is as below

Particulars	2018-19 ₹ in Lakhs	2017-18 ₹ in Lakhs
Expense arising from employee share based payment plans	1,954	2,331
Total carrying amount at the end of the period	4,315	3,317

The Company provides a sensitivity analysis to show the impact to the Company's profit before taxation in the event that forfeiture and performance condition assumptions exceed or are below the Company's estimations by the stated percentages.

Impact on the income statement of a change in leaver assumptions	For the year ended 31-Mar-19 ₹ in Lakhs	For the year ended 31-Mar-18 ₹ in Lakhs
(+)5%	87	77
(-)5%	(126)	(140)

NOTE 53 : SEGMENT REPORTING

The Chief Operating Decision Maker monitors the operating results of the business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. The operating segments have been identified considering the nature of services, the differing risks and returns, the organization structure and the internal financial reporting system.

The business segment has been considered as the primary segment for disclosure. The primary business of the Group comprises of "Broking and other related activities", "Fund based activities", "Asset Management and Advisory", "Investment Banking services" and "Home Finance".

Broking and other related activities includes Broking services to clients, research and advisory services, financial product distribution, depository services, etc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Fund based activities include investment activities (Investment in securities and property) and financing activity.

Asset Management and Advisory includes fee based services for management of assets.

Investment Banking represents results of raising financial capital by underwriting or acting as the client's agent in the issuance of securities

Home Finance represents interest and other related income from affordable housing finance business.

Since the business operations of the Group are primarily concentrated in India, the Group is considered to operate only in the domestic segment.

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure of individual segments.

Income and direct expenses in relation to segments are categorized based on items that can be individually identifiable to that segment. Certain expenses such as taxes, etc. are not specifically allocable to specific segments.

Assets/Liabilities to the extent directly identifiable to a segment have been categorized separately; others have been shown as "unallocable" in the total column. Other balance sheet items such as deferred tax liability are similarly not allocated to segments.

₹ in Lakhs

Particulars	Broking and other related activities		Fund based activities		Asset management and advisory		Investment banking		Home finance		Unallocated		Elimination		Total	
	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Revenue:																
External Revenue	1,13,318	1,12,072	5,912	24,852	80,702	80,495	3,813	11,163	64,841	67,075	67	39	-	-	2,68,653	2,95,696
Inter-Segment Revenue													20,675	19,056	20,675	19,056
Total revenue	1,13,318	1,12,072	5,912	24,852	80,702	80,495	3,813	11,163	64,841	67,075	67	39	20,675	19,056	2,47,978	2,76,640
Result:																
Segment result	25,573	21,951	5,532	23,643	30,102	30,676	1,209	8,382	(20,945)	2,662	(1,877)	(2,999)	-	-	39,594	84,315
Operating profit															39,594	84,315
Tax expense																
Current tax															(18,365)	(18,602)
Deferred tax															8,958	(1,984)
Profit from ordinary activities															30,187	63,729
Extra-ordinary items															-	-
Net Profit for the year before minority interest															30,187	63,729
Less: Minority interest															(435)	(1,002)
Add : Share of profit from associates															798	906
Net profit for the year after minority interest															30,550	63,633
Other information:																
Segment assets	3,66,014	3,26,187	2,01,578	2,05,583	31,146	30,129	1,715	585	4,62,026	5,02,007	21,148	21,856	(16,846)	(25,447)	10,66,781	10,60,900
Segment liabilities	3,32,426	3,14,820	16,279	6,527	13,826	16,873	2,048	1,544	3,91,488	4,30,465	14,376	21,391	(13,084)	(22,815)	7,57,359	7,68,805

NOTE: 54 REVENUE FROM CONTRACTS WITH CUSTOMERS

With effect from 01 April 2018, the Group has adopted Ind AS 115 'Revenue from contracts with customers' using the modified retrospective approach given in Ind AS 115, i.e. cumulative catch-up transition adjustment is made for contracts that were not completed as of 01 April 2018. Accordingly, the comparatives have not been adjusted. Under Ind AS 115, an entity recognises revenue when it transfers control of promised services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Adoption of this new standard did not result in a material impact on the retained earnings as at 1 April 2018, our Statement of Profit and Loss for the year ended 31 March 2019 or our Balance Sheet as of 31 March 2019."

The application of Ind AS 115 has had no impact on the cash flows of the Group.

The Group determines revenue recognition through the following steps:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when, or as, we satisfy a performance obligation.

a) Nature of services

- (i) **Broking and other related activities** - Income from services rendered as a broker is recognised upon rendering of the services, in accordance with the terms of contract. Income from services rendered on behalf of depository is recognised upon rendering of the services, in accordance with the terms of contract.
- (ii) **Interest income on loans and MTF** - Interest is earned from clients on amounts funded to them and delayed payments. Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable.
- (iii) **Portfolio management fee, Investment management fees and advisory** - The Group is an Investment Manager and provide, investment management and administrative services to the Schemes of Motilal Oswal Mutual Fund ('the Fund'), provides Portfolio Management Services ('PMS') to clients, investment management services to Alternate Investment Funds and provide investment advisory services to onshore and offshore clients. The Group earns Managements fees from respective businesses.

b) Disaggregation of revenue

Revenue from contracts with customers:

Particulars	31-Mar-19 ₹ in Lakhs	31-Mar-18 ₹ in Lakhs
Operating segment :		
(i) Broking and other related activities	75,002	76,921
(ii) Interest income on loans and MTF	79,995	79,841
(iii) Portfolio management fee, Investment management fees and advisory	77,027	84,505
	2,32,024	2,41,267

c) Contract balances

Trade receivable are non-interest bearing balances.

Trade payable includes amount payable to distributors against revenue sharing. The outstanding balance as on 31 March 19 : INR 1,39,062 lakhs, 31 March 18: INR 1,32,039 lakhs.

Loans and advances . The outstanding balance as on 31 March 19 : INR 4,35,704 lakhs, 31 March 18: INR 4,80,957 lakhs.

Margin funding .The outstanding balance as on 31 March 19 : INR 47,562 lakhs, 31 March 18: INR 62,566 lakhs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd.)

d) Performance obligations

(i) Broking and other related activities:-

Income from services rendered as a broker is recognised upon rendering of the services.

Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract.

Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be, on issue of the insurance policy to the applicant.

Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract, and are over the period in nature.

(ii) Interest income on loans and MTF:-

Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable.

Interest is earned on delayed payments from clients and amounts funded to them as well as term deposits with banks.

(iii) Portfolio management fee, Investment management fees and advisory:-

Performance obligation of fee from asset management and portfolio management services are completed as per the terms and conditions of the asset management agreement.

Income from advisory services is recognised upon rendering of the services.

NOTE 55 : MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

₹ in Lakhs

Particulars	As at 31-Mar-19			As at 31-Mar-18			As at 1-Apr-17		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets									
Cash and cash equivalents	37,368	–	37,368	30,580	–	30,580	31,292	–	31,292
Bank balance other than cash and cash equivalents above	25,561	5,977	31,538	14,067	725	14,792	14,196	1,165	15,361
Receivables									
(I) Trade receivables	1,51,756	–	1,51,756	1,04,339	–	1,04,339	1,26,004	–	1,26,004
(II) Other receivables	5,527	–	5,527	4,830	–	4,830	2,454	–	2,454
Loans	92,975	3,94,886	4,87,861	97,368	4,56,739	5,54,107	39,100	3,92,822	4,31,922
Investments	70,691	1,97,900	2,68,591	86,345	1,94,373	2,80,718	67,179	1,65,535	2,32,714
Other financial assets	3,546	182	3,728	1,466	596	2,062	2,800	825	3,625
Non-financial assets									
Current tax assets (net)	–	1,823	1,823	–	2,962	2,962	–	3,127	3,127
Deferred tax assets (net)	–	14,290	14,290	–	7,595	7,595	–	6,069	6,069
Investment property	–	3,518	3,518	–	3,573	3,573	–	3,432	3,432
Property, plant and equipment	–	24,890	24,890	–	25,007	25,007	–	24,980	24,980
Intangible assets under development	–	11	11	–	11	11	–	–	–
Other intangible assets	–	1,802	1,802	–	1,377	1,377	–	956	956
Other non-financial assets	13,896	1,576	15,472	7,705	9,062	16,767	9,264	1,687	10,951
Total assets	4,01,320	6,46,855	10,48,175	3,46,700	7,02,020	10,48,720	2,92,289	6,00,598	8,92,887

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

₹ in Lakhs

Particulars	As at 31-Mar-19			As at 31-Mar-18			As at 1-Apr-17		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial liabilities									
Payables									
(I) Trade payables	1,39,062	–	1,39,062	1,32,039	–	1,32,039	1,03,079	–	1,03,079
(II) Other payables	–	–	–	–	–	–	50	–	50
Debt securities	97,616	1,60,544	2,58,160	1,14,480	1,75,264	2,89,744	76,783	2,13,132	2,89,915
Borrowings (Other than debt securities)	1,36,557	1,16,776	2,53,333	90,944	1,51,606	2,42,550	80,758	1,34,587	2,15,344
Other financial liabilities	59,767	–	59,767	57,316	–	57,316	32,422	–	32,422
Non-financial Liabilities									
Current tax liabilities (net)	1,290	–	1,290	1,724	–	1,724	830	–	830
Provisions	10,396	1,545	11,941	13,862	1,225	15,087	8,885	1,101	9,987
Deferred tax liabilities (net)	–	12,148	12,148	–	14,878	14,878	–	11,771	11,771
Other non-financial liabilities	2,659	392	3,051	1,884	1,402	3,286	1,099	3,302	4,401
Total liabilities	4,47,347	2,91,405	7,38,752	4,12,249	3,44,375	7,56,624	3,03,906	3,63,893	6,67,799

NOTE 56 : FAIR VALUE MEASUREMENT

a) Financial instruments by category

₹ in Lakhs

Particulars	As at 31-Mar-19			As at 31-Mar-18			As at 1-Apr-17		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets									
Cash and cash equivalents	–	–	37,368	–	–	30,580	–	–	31,292
Bank balance other than cash and cash equivalents above	–	–	31,538	–	–	14,792	–	–	15,361
Receivables	–	–	–	–	–	–	–	–	–
(I) Trade receivables	–	–	1,51,756	–	–	1,04,339	–	–	1,26,004
(II) Other receivables	–	–	5,527	–	–	4,830	–	–	2,454
Loans	–	–	4,87,861	–	–	5,54,107	–	–	4,31,922
Investments	2,38,872	29,714	5	2,60,430	20,283	5	2,22,195	9,814	705
Other financial assets	–	–	3,728	–	–	2,062	–	–	3,625
Total financial assets	2,38,872	29,714	7,17,783	2,60,430	20,283	7,10,715	2,22,195	9,814	6,11,363
Financial liabilities									
Payables									
(I) Trade payables									
(i) total outstanding dues of micro enterprises and small enterprises	–	–	–	–	–	–	–	–	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	–	–	1,39,062	–	–	1,32,039	–	–	1,03,079

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

₹ in Lakhs

Particulars	As at 31-Mar-19			As at 31-Mar-18			As at 1-Apr-17		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
(II) Other payables									
(i) total outstanding dues of micro enterprises and small enterprises	–	–	–	–	–	–	–	–	50
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	–	–	–	–	–	–	–	–	–
Debt securities	–	–	2,58,160	–	–	2,89,744	–	–	2,89,915
Borrowings (Other than debt securities)	–	–	2,53,333	–	–	2,42,550	–	–	2,15,344
Other financial liabilities	–	–	59,767	–	–	57,316	–	–	32,422
Total financial liabilities	–	–	7,10,322	–	–	7,21,649	–	–	6,40,810

b) Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices. For example, listed equity instruments that have quoted market price.

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

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

I. Assets and liabilities measured at fair value - recurring fair value measurements

As at March 31, 2019

₹ in Lakhs

Assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVTPL				
- Mutual funds	1,78,470	–	–	1,78,470
- Quoted equity and preference shares	–	–	–	–
- Alternative Investment funds	–	6,690	–	6,690
- Private equity funds	–	–	31,218	31,218
- Real estate funds	–	–	19,493	19,493
- Unquoted equity and preference shares	–	–	3,000	3,000
Financial Investments at FVOCI				
- Quoted equity shares	29,714	–	–	29,714
Total financial assets	2,08,184	6,690	53,711	2,68,585

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

As at March 31, 2018

₹ in Lakhs

Assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVTPL				
- Mutual funds	2,14,130	–	–	2,14,130
- Quoted equity and preference shares	–	–	–	–
- Alternative Investment funds	–	5,300	–	5,300
- Private equity funds	–	–	23,966	23,966
- Real estate funds	–	–	14,216	14,216
- Unquoted equity and preference shares	–	–	2,818	2,818
Financial Investments at FVOCI				
- Quoted equity shares	20,283	–	–	20,283
Total financial assets	2,34,413	5,300	41,000	2,80,713

As at April 1, 2017

₹ in Lakhs

Assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVTPL				
- Mutual funds	1,63,743	–	–	1,63,743
- Quoted equity and preference shares	16,986	–	–	16,986
- Alternative Investment funds	–	1,079	–	1,079
- Private equity funds	–	–	16,198	16,198
- Real estate funds	–	–	19,937	19,937
- Unquoted equity and preference shares	–	–	4,253	4,253
Financial Investments at FVOCI				
- Quoted equity shares	9,814	–	–	9,814
Total financial assets	1,90,543	1,079	40,388	2,32,010

II. Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include :

- Quoted equity investments - Quoted closing price on stock exchange
- Mutual fund - net asset value of the scheme
- Alternative investment funds - net asset value of the scheme
- Unquoted equity and preference investments - price multiples of comparable companies.
- Private equity funds - NAV of the audited financials of the funds.
- Real estate funds - net asset value, based on the independent valuation report or financial statements of the company income approach or market approach based on the independent valuation report.

III. Fair value of financial instrument measured at amortised cost

Financial assets not measured at fair value includes cash and cash equivalents, trade receivables, loans and other financial assets. These are financial assets whose carrying amounts approximate fair value, due to their short-term nature.

Additionally, financial liabilities such as trade payables and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short-term nature.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd.)

c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 March 2019 and 31 March 2018:

₹ in Lakhs

Particulars	Private Equity Funds	Real Estate Funds	Unquoted Shares	Total
As at April 1, 2017	16,197	19,937	4,253	40,388
Additions	5,430	1,616	–	7,047
Disposals	(365)	(5,300)	–	(5,665)
Gains/(losses) recognised in statement of profit and loss	2,704	(2,038)	(1,435)	(770)
As at March 31, 2018	23,966	14,215	2,818	41,000
Additions	6,958	6,924	–	13,882
Disposals	(133)	(2,662)	–	(2,795)
Gains/(losses) recognised in statement of profit and loss	427	1,016	182	1,625
As at March 31, 2019	31,218	19,493	3,000	53,711

d) Transfers between levels 2 and 3

There are no transfers between Level 2 and Level 3 during the year

e) Valuation inputs and relationships to fair value

The quantitative information about the significant unobservable inputs used in level 3 fair value measurements is summarised below.

i) Sensitivity analysis

Particulars	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Fair value of instruments	53,711	41,000	40,388
Significant unobservable inputs			
Net worth of the fund at Fair value			
- increase by 100 bps	537	410	404
- decrease by 100 bps	(537)	(410)	(404)

NOTE 57 : FINANCIAL RISK MANAGEMENT

The Group is exposed primarily to fluctuations in credit, liquidity and price risk which may adversely impact the fair value of its financial instrument. the Group has a risk management policy which covers risk associated with the financial assets and liabilities. The focus of the risk management is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the Group.

The Group's principal financial liabilities comprises of trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. the Group's principal financial assets include Investments, loans, receivables and cash and cash equivalents that derive directly from its operations.

A Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's loans and advances to customers. For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure.

Management of credit risk

The Board of Directors has delegated responsibility for the oversight of credit risk to the Risk Management Committee, which in turn has appointed the Interest Rate Reset Committee (IRRC) which is the Internal committee and the meeting of the said committee(IRRC) is conducted on a monthly basis, the objective of which is to determine the Retail prime lending rates (RPLR)

based on Market Scenarios such as borrowing costs of the Group, repo rates by Reserve Bank of India (RBI), the Interest Rate Reset Committee recommends the Asset Liability Management Committee for the changes in the prevailing RPLR for their further approval.

The Risk Management Committee develops the credit risk management framework, policies, procedures, reviews the same on periodic basis which is further noted and approved by the Board of Directors. The Risk Management Committee also reviews delinquent accounts and makes decisions on recovery actions. Credit reviews are conducted regularly to monitor the health of the loan portfolio and to detect early signs of weaknesses and deviations.

The Risk Management Committee manages risk on a portfolio-wide basis and recommends alternative portfolio strategies, analyses results of portfolio management actions and develops portfolio limits for each portfolio segment for approval of the Board of Directors. Credit risk concentration is addressed by setting a credit portfolio mix limit and monitoring the limits on a regular basis. Credit stress tests are also conducted periodically to determine the impact of security values and other stress parameters on the loan portfolio. The Group also conducts annual valuation of delinquent accounts, to determine the actual value and marketability of the collateral which is adequately factored in Capital Adequacy Ratio. This allows the Group to assess the potential financial impact of losses arising from plausible adverse scenarios on the Group's loan portfolio.

Expected credit loss measurements

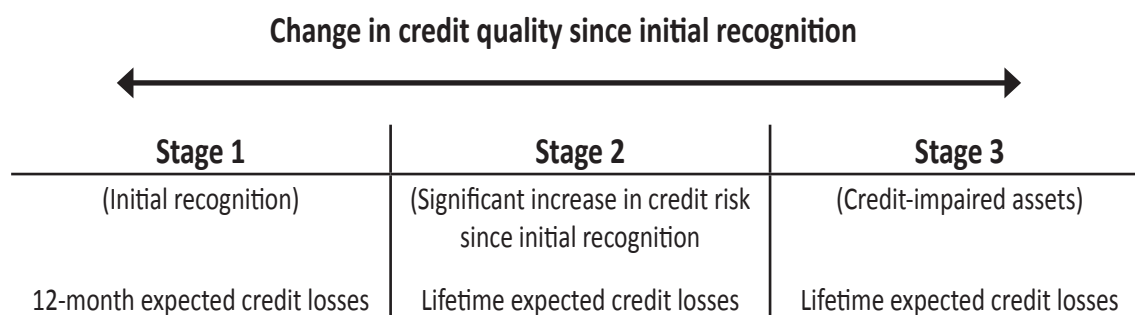
(I) Expected credit loss measurement for Loans :

Ind AS 109 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

1. A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Group.
2. If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.
3. If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.

Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

The following diagram summarises the impairment requirements under Ind AS 109 (other than purchased or originated credit-impaired financial assets):



The key judgements and assumptions adopted by the Group in addressing the requirements of the standard are discussed below:

Significant increase in credit risk (SICR)

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

a. Quantitative criteria:

When days passed dues from the borrower is more than 30 days but less than 90 days

b. Qualitative criteria:

If the borrower meets one or more of the following criteria:

- a. In short-term forbearance

- b. Direct debit cancellation
- c. Extension to the terms granted
- d. Previous arrears within the last [12] months

Default and credit-impaired assets

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, when it meets one or more of the following criteria:

a. Quantitative criteria

The borrower is more than 90 days past due on its contractual payments.

b. Qualitative criteria

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- a. The borrower is in long-term forbearance
- b. The borrower is deceased
- c. The borrower is insolvent
- d. Concessions have been made by the lender relating to the borrower's financial difficulty
- e. It is becoming probable that the borrower will enter bankruptcy

The criteria above have been applied to home finance loans consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Group's expected loss calculations.

Measuring ECL - Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month basis (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12mECL. For stage 2, Stage 3 Financial Assets, the exposure at default is considered for events over the lifetime of the instruments.

- Loss Given Default (LGD) represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default. LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each three bucket explained above and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each three buckets, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The 12-month and lifetime EADs are determined based on the expected payment profile. Estimate of an exposure at a future default date – expected changes in exposure after the reporting date, including repayment of principal and interest, and expected drawdowns on committed facilities. This is based on the contractual repayments owed by the borrower over a 12month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment / refinance assumptions are also incorporated into the calculation.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by collateral type.

- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market / book values due to forced sales, time to repossession and recovery costs observed. the Group given its experience of sale of properties taken into possession we have experienced that there is 22.5 % loss incurred on the Outstanding amount (Principal + Interest). Hence the Group have taken 22.5% as LGD for computation of ECL on Stage 1 / 2 and 3 books.
- For unsecured products basically written off cases , LGD's has been maintained at 100% as loss given default as the Group don't foresee any cash flow on those assets.

Forward-looking economic variable / assumptions used are – such as how the maturity profile of the PDs and how collateral values change etc. – are monitored and reviewed on a quarterly basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- a. Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent “step up” between 12-month and Lifetime ECL;
- b. Additional allowances for financial instruments de-recognised in the period;
- c. Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;
- d. Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period. The write-off of loans with a total gross carrying amount of INR 29,556 Lakhs resulted in the reduction of the Stage 3 loss allowance by the same amount.

Write-off policy

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Group's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Group may write-off financial assets that are still subject to enforcement activity. The Group still seeks to recover amounts it is legally receivable in full, but which have been full / partially written off due to no reasonable expectation of full recovery.

Modification of financial assets

The Group sometimes modifies the terms of home loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximising recovery.

Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. the Group monitors the subsequent performance of modified assets. the Group may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for a year or more. Currently there hasnt been any case.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd.)

(II) Expected credit loss measurement for Trade receivables and MTF loans:

The Group applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables as well as on margin trade funding (MTF) loans are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired trade receivables. For the purpose of computation of ECL, the term default implies an event where amount due towards margin requirement and / or mark to market losses for which the client was unable to provide funds / collaterals to bridge the shortfall, the same is termed as margin call triggered. When a trade receivable or MTF loans is credit impaired, it is written off against respective financial assets and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement.”

The movement in expected credit loss- refer note 7 (Loans)

For determination of ECL on MTF loans, a staged approach is followed as below :

Stage 1 : All open positions in the MTF loan book are considered as stage 1 assets for computation of expected credit loss

Stage 2 : Exposures under stage 2 include dues upto 30 days pertaining to principal amount on closed positions and interest on all open positions of MTF loan book which are unsecured.

Stage 3 : Exposures under stage 3 include dues past 30 days pertaining to principal amount on closed positions and interest on all open positions of MTF loan book which are unsecured.

The Group does not have any MTF loans which may fall under stage 2 or stage 3.

B Liquidity risk and funding management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company’s liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. In addition, the Company’s liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Company’s financial assets and liabilities.

As at 31 March 2019

₹ in Lakhs

Contractual maturities of assets and liabilities	Less than 1 year	1 to 5 years	above 5 Years	Total
Financial assets				
Cash and cash equivalents	37,368	–	–	37,368
Bank balance other than cash and cash equivalents above	25,560	5,978	–	31,538
Receivables				
(I) Trade receivables	1,51,756	–	–	1,51,756
(II) Other receivables	5,527	–	–	5,527
Loans	92,976	72,989	3,21,896	4,87,861
Investments	70,691	1,97,900	–	2,68,591
Other financial assets	3,546	182	–	3,728
Total financial assets	3,87,424	2,77,049	3,21,896	9,86,369

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

₹ in Lakhs

Contractual maturities of assets and liabilities	Less than 1 year	1 to 5 years	above 5 Years	Total
Financial liabilities				
Payables				
(I) Trade payables	1,39,062	–	–	1,39,062
(II) Other payables	–	–	–	–
Debt securities	97,616	1,53,074	7,470	2,58,160
Borrowings (Other than debt securities)	1,36,558	99,763	17,012	2,53,333
Other financial liabilities	59,767	–	–	59,767
Total financial liabilities	4,33,003	2,52,837	24,482	7,10,322

As at 31 March 2018

₹ in Lakhs

Contractual maturities of assets and liabilities	Less than 1 year	1 to 5 years	above 5 Years	Total
Financial assets				
Cash and cash equivalents	30,580	–	–	30,580
Bank balance other than cash and cash equivalents above	14,068	724	–	14,792
Receivables				
(I) Trade receivables	1,04,339	–	–	1,04,339
(II) Other receivables	4,830	–	–	4,830
Loans	97,368	79,683	3,77,056	5,54,107
Investments	86,345	1,94,373	–	2,80,718
Other financial assets	1,466	596	–	2,062
Total financial assets	3,38,996	2,75,376	3,77,056	9,91,428
Financial liabilities				
Payables				
(I) Trade payables	1,32,039	–	–	1,32,039
(II) Other payables	–	–	–	–
Debt securities	1,14,480	1,35,480	39,784	2,89,744
Borrowings (Other than debt securities)	90,943	1,07,503	44,104	2,42,550
Other financial liabilities	57,316	–	–	57,316
Total financial liabilities	3,94,778	2,42,983	83,888	7,21,649

As at 1 April 2017

₹ in Lakhs

Contractual maturities of assets and liabilities	Less than 1 year	1 to 5 years	above 5 Years	Total
Financial assets				
Cash and cash equivalents	31,292	–	–	31,292
Bank balance other than cash and cash equivalents above	14,196	1,165	–	15,361
Receivables				
(I) Trade receivables	1,26,004	–	–	1,26,004
(II) Other receivables	2,454	–	–	2,454
Loans	39,100	63,310	3,29,512	4,31,922
Investments	67,179	1,65,535	–	2,32,714
Other financial assets	2,800	825	–	3,625
Total financial assets	2,83,025	2,30,835	3,29,512	8,43,372

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

₹ in Lakhs

Contractual maturities of assets and liabilities	Less than 1 year	1 to 5 years	above 5 Years	Total
Financial liabilities				
Payables				
(I) Trade payables	1,03,079	–	–	1,03,079
(II) Other payables	50	–	–	50
Debt securities	76,783	1,73,421	39,711	2,89,915
Borrowings (Other than debt securities)	80,758	91,032	43,554	2,15,344
Other financial liabilities	32,422	–	–	32,422
Total financial liabilities	2,93,092	2,64,453	83,265	6,40,810

C Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Foreign currency risk management

In respect of the foreign currency transactions, the Group does not hedge the exposures since the management believes that the same is insignificant in nature and will not have a material impact on the Group.

(ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings / debt securities and loans with variable rates, which expose the Group to cash flow interest rate risk. The Group is exposed to interest rate risk as it is involved in lending business. Interest rate risk can arise from either macro events in economy or due to company's financial position. Group tries to mitigate this risk by taking all positive measures which can boost profitability and strengthens company's balance sheet. Group takes continuous efforts to reduce its cost of funds by diversifying its liability mix and deepening its relationship with lenders. Moreover, strong parental support also provides cushion to Group in adverse interest rate scenario.

The Group's fixed rate borrowings are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

Out of the total Assets and Liabilities, exposure to the interest rate risk of the Group is mainly towards borrowings / debt securities and loan assets.

Sensitivity

Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase / decrease in the fair value of the cash flow hedges related to borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Group's statement of profit and loss and equity.

Particulars	Impact on profit after tax	
	As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs
Loans		
Interest rates – increase by 100 basis points	3,048	3,086
Interest rates – decrease by 100 basis points	3,048	3,086
Borrowings		
Interest rates – increase by 100 basis points	978	1,164
Interest rates – decrease by 100 basis points	978	1,164

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Exposure of price risk

The company is exposed to price risk from its investment in mutual funds, equity shares, exchange traded funds classified in the balance sheet at fair value through profit and loss or fair value through other comprehensive income.

The Investments held by the Company are ancillary to the Investment management business objective.

The investment in long term mutual fund is for high-RoE opportunities. They also serve as highly liquid “resources” available for future investments in business, if required.

Sensitivity to price risk

The following table summarises the impact of sensitivity of NAVs/price with all other variables held constant. The below impact on the Company’s profit before tax is based on changes in the NAVs/price of the investments held at FVTPL/FVOCI at balance sheet date:

Sensitivity	31-Mar-19 ₹ in Lakhs	31-Mar-18 ₹ in Lakhs
Impact on profit before tax for 1% increase in NAV /price	1,979	1,944
Impact on profit before tax for 1% decrease in NAV /price	(1,979)	(1,944)

NOTE 58 : CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as going concern while maximizing the return to stakeholder through the optimization of the debt and equity balance.

For the purpose of the Group’s capital management, capital includes issued capital and other equity reserves. The primary objective of the Group’s capital management is to maximize shareholders value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

NOTE 59

Principles and assumptions used for consolidated financial statements and proforma adjustments:

- a) The Consolidated Financial Statements have been prepared by applying the principles laid in the Indian Accounting Standard (Ind AS) - 110 “Consolidated Financial Statements” and (Ind AS) - 28 “Accounting For Investments in Associates / Joint venture in Consolidated Financial Statements”. issued by the Institute of Chartered Accountants of India for the purposes of these Consolidated Balance Sheet and Consolidated Statement of Profit and Loss, together referred to in as ‘Consolidated Financial Statements.’

The list of subsidiaries and associates in the consolidated financial statement are as under :-

Motilal Oswal Financial Services Limited (‘the Company’ or ‘the holding company’) shareholding in the following companies as on 31 March, 2019, 31 March, 2018 and 1 April, 2017 is as under:

Name of the Entities	Country of incorporation	Proportion of ownership interest		
		As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
I) Name of the Subsidiary Companies				
a) Direct Subsidiaries				
Motilal Oswal Commodities Broker Private Limited	India	100	100	100
MOPE Investment Advisors Private Limited	India	85	85	85
Motilal Oswal Investment Advisors Limited (Formerly known as Motilal Oswal Investment Advisors Private Limited)	India	100	100	100
Motilal Oswal Fincap Private Limited (Formerly known as Motilal Oswal Insurance Brokers Pvt Ltd)	India	100	100	100
Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Ltd)	India	100	100	100

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd.)

Name of the Entities	Country of incorporation	Proportion of ownership interest		
		As at 31-Mar-19 ₹ in Lakhs	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Motilal Oswal Wealth Management Limited	India	100	100	100
Motilal Oswal Asset Management Company Limited	India	97.62	99.92	100
Motilal Oswal Trustee Company Limited	India	100	100	100
Motilal Oswal Securities International Private Limited	India	100	100	100
Motilal Oswal Capital Markets (Singapore) Pte. Limited.	Singapore	100	100	100
Motilal Oswal Capital Markets (Hong Kong) Private Limited	Hong Kong	100	100	100
Aspire Home Finance Corporation Limited	India	98.02	96.59	96.67
b) Step down Subsidiaries				
Motilal Oswal Real Estate Investment Advisors Private Limited	India	85	85	85.00
Motilal Oswal Real Estate Investment Advisors II Private Limited	India	76.50	76.50	76.50
India Business Excellence Management Company	Mauritius	85.00	85.00	85.00
Motilal Oswal Asset Management (Mauritius) Limited	Mauritius	97.62	99.92	100
Motilal Oswal Capital Limited	India	97.62	99.92	100
II) Associate Enterprise				
India Reality Excellence Fund II LLP	India	20.44	20.44	20.44

NOTE 60

Additional Disclosure pertaining to Subsidiaries / Associate as per division III of Companies Act, 2013

Name of the entity	Net Assets (i.e. Total Assets - Total Liabilities)		Share in Profit & (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated Net Assets	Amount ₹ in Lakhs	As % of Consolidated Profit / (Loss)	Amount ₹ in Lakhs	As % of Consolidated OCI	Amount ₹ in Lakhs	As % of Total Consolidated Income	Amount ₹ in Lakhs
Parent								
Motilal Oswal Financial Services Limited	83.46%	2,54,854	107.33%	31,551	215.01%	(629)	106.25%	30,922
Subsidiaries								
Indian								
Motilal Oswal Commodities Broker Private Limited	0.29%	896	-0.80%	(236)	-2.69%	8	-0.79%	(229)
Motilal Oswal Investment Advisors Limited (Formerly known as Motilal Oswal Investment Advisors Private Limited)	3.68%	11,230	1.78%	524	-0.01%	0	1.80%	524
MOPE Investment Advisors Private Limited	1.52%	4,635	4.99%	1,468	2.78%	(8)	5.01%	1,459

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Name of the entity	Net Assets (i.e. Total Assets - Total Liabilities)		Share in Profit & (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated Net Assets	Amount ₹ in Lakhs	As % of Consolidated Profit / (Loss)	Amount ₹ in Lakhs	As % of Consolidated OCI	Amount ₹ in Lakhs	As % of Total Consolidated Income	Amount ₹ in Lakhs
Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Ltd)	10.10%	30,831	0.71%	210	-81.32%	238	1.54%	448
Motilal Oswal Wealth Management Limited	2.49%	7,605	5.20%	1,529	2.88%	(8)	5.23%	1,521
Motilal Oswal Fincap Private Limited (Formerly known as Motilal Oswal Insurance Brokers Pvt Ltd)	0.04%	119	-0.02%	(6)	-0.36%	1	-0.02%	(5)
Motilal Oswal Asset Management Company Limited	12.82%	39,155	51.94%	15,267	4.32%	(13)	52.42%	15,255
Motilal Oswal Trustee Company Limited	0.01%	35	0.01%	2	0.00%	–	0.01%	2
Motilal Oswal Securities International Private Limited	0.15%	462	0.05%	15	-0.92%	3	0.06%	18
Motilal Oswal Real Estate Investment Advisors Private Limited	0.00%	13	0.00%	(1)	0.00%	–	0.00%	(1)
Motilal Oswal Real Estate Investment Advisors II Private Limited	0.42%	1,269	2.98%	877	-0.44%	1	3.02%	878
Aspire Home Finance Corporation Limited	27.07%	82,661	-46.57%	(13,688)	-39.93%	117	-46.63%	(13,571)
Motilal Oswal Capital Limited	0.26%	783	-0.07%	(20)	0.00%	–	-0.07%	(20)
Foreign					0.00%	–	0.00%	
Motilal Oswal Capital Markets (Honkong) Private Limited	0.05%	144	0.09%	27	0.00%	–	0.09%	27
Motilal Oswal Capital Markets (Singapore) Pte. Limited	0.41%	1,254	0.12%	34	0.00%	–	0.12%	34
India Business Excellence Management Company	0.63%	1,912	2.74%	806	0.00%	–	2.77%	806
Motilal Oswal Asset Management (Mauritius) Pvt. Ltd.	0.02%	73	-0.51%	(150)	0.00%	–	-0.52%	(150)
Total	143.42%	4,37,931	129.97%	38,209	99.32%	(290)	130.29%	37,918
Associates								
Indian								
India Reality Excellence Fund II LLP	1.85%	5,647	2.72%	798	0.00%	–	2.74%	798
Total	1.85%	5,647	2.72%	798	0.00%	–	2.74%	798
Eliminations Adjusted	-43.94%	(1,34,154)	-31.22%	(9,178)	0.00%	–	-31.54%	(9,178)
Net Total	101.33%	3,09,424	101.47%	29,829	99.33%	(290)	101.49%	29,538
Minority Interest in all Subsidiaries	-1.33%	(4,079)	-1.47%	(433)	0.67%	(2)	-1.49%	(435)
Grand Total	100.00%	3,05,344	100.00%	29,396	100.00%	(292)	100.00%	29,103

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

NOTE 61 : DISCLOSURE PURSUANT TO IND AS 101 “FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS”

a) Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i) Reconciliation of total equity between previous GAAP and Ind AS:

Particulars	Notes to first time adoption	As at 31-Mar-18 ₹ in Lakhs	As at 1-Apr-17 ₹ in Lakhs
Total equity as per previous GAAP		2,26,854	1,78,603
GAAP adjustments :-			
Gain on fair valuation of investments	i	74,964	56,026
Impact of Expected Credit Loss (ECL)	ii	(3,490)	(2,570)
Impact of Effective Interest Rate (EIR)	iii	(3,032)	(4,911)
Amortisation of transaction fees on borrowings	iii	(1,713)	(300)
Others		(89)	(1)
Rent Equilisation Reserve	vi	(137)	(28)
Tax impact on above adjustments	iv	(4,767)	(4,614)
Total Adjustment		61,736	43,602
Ind AS Net worth		2,88,590	2,22,205

ii) Reconciliation of net profit for the previous year's quarter and year ended 31 March 2018 between the erstwhile Indian GAAP (IGAAP) and Ind AS is as under:

Particulars	Notes to first time adoption	As at 31-Mar-18 ₹ in Lakhs
Net profit as per the erstwhile Indian GAAP (IGAAP)		56,154
Gain on fair valuation of investments held through FVTPL	i	8,248
Impact of Expected Credit Loss (ECL)	ii	(920)
Impact of Effective Interest Rate (EIR)	iii	1,904
Amortisation of transaction fees on borrowings	iii	(3,284)
ESOP expense recognised at fair value	v	325
Changes in non-controlling interest on above adjustments		(25)
Others		(25)
Tax impact on above adjustments	iv	(149)
Net profit after tax (before OCI) as per Ind AS		62,228
(i) Other comprehensive income after tax		
- Remeasurement of the post retirement benefit plans	x	617
- Fair value gain of investment held through fair value through other comprehensive income	i	10,470
(ii) Tax impact on above adjustments	iv	32
Total comprehensive income as per Ind AS		73,347

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

iii) Impact of Ind AS adoption on the consolidated statement of cash flow for the year ended March 31, 2018

₹ in Lakhs

Particulars	Note	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities		11,028	13,732	24,760
Net cash flow from investing activities		(19,073)	3,404	(15,669)
Net cash flow from financing activities		7,152	(16,956)	(9,803)
Net increase/(decrease) in cash and cash equivalents		(893)	180	(712)
Cash and cash equivalents as at April 01, 2017		31,408	(117)	31,292
Cash and cash equivalents as at March 31, 2018		30,515	65	30,580

b) Notes to first-time adoption:

i) Fair valuation of investments

Under the previous Indian GAAP, investments in equity instruments, debentures, preference shares, mutual funds, venture capital funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in other equity as at the date of transition and subsequently in the profit or loss / other comprehensive income for the year ended March 31, 2018. This increased the other equity by ₹ 74,964 lacs as at 31 March 2018 (01 April 2017 - ₹ 56,026 lacs). Profit before tax and other comprehensive income before tax for the year ended 31 March 2018 increased by ₹ 8,248 lacs and 10,470 lacs respectively.

ii) Provision for impairment as per the expected credit loss method

Under the previous GAAP, the Group had recognised provisions against trade receivables, investments and loans and advances as per the RBI/NHB norms. However, in order to comply with Ind AS 109, the Company has reversed the provisions created under the previous GAAP and recognised provisions by applying the effective credit loss method. This adjustment has resulted in a decrease in total equity amounting to ₹ 3,490 lacs as at 31 March 2018 (01 April 2017 - ₹ 2,570 lacs). Profit before tax for the year ended 31 March 2018 decreased by ₹ 920 lacs.

iii) Amortisation of transaction costs

Under the previous GAAP, transaction costs incurred on the purchase / origination of financial assets or financial liabilities was recognised upfront in the statement of profit and loss. Under Ind AS, such costs are added to / deducted from the financial asset / liability and are amortised over the tenure of the instrument by applying the effective interest rate method. Consequent to the this adjustment, the total equity decreased ₹ 4,745 as at 31 March 2018 (01 April 2017 - ₹ 5,212 lacs). Profit before tax for the year ended 31 March 2018 decreased by ₹ 1,380 lacs.

iv) Deferred tax

Indian GAAP requires deferred tax accounting using the profit and loss approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments have lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

v) Employee stock option expense

Under the previous GAAP, effective 1 April 2017, the Group has changed its accounting policy for ESOPs valuation from intrinsic value method to fair value method for more appropriate presentation of financial statements. The change is applied retrospectively, accordingly accumulated expense of ₹ 1,613 Lakhs has been debited to the statement of profit and loss for the year ended 31 March 2017.

Under Ind AS 102, the grant date fair value of the employee stock options should be recognised over the vesting period by debiting the 'Employee benefit expense' in the statement of profit and loss and crediting 'Share option outstanding reserve' under other equity. The grant date fair value of some options granted by subsidiary company which are required to be swapped with the Company are different from previous GAAP. Also, the impact due to change in accounting policy under previous GAAP upto 31 March 2017 taken through retained earnings. Consequently Profit before tax for the year ended 31 March 2018 increased by ₹ 325 lacs.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

vi) Fair Valuation of Rent Deposits and Rent Equalisation

Except for trade receivables, at initial recognition, an entity shall measure a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

In case of Rent Deposits: We are recording the rent deposits given to the landlords of the branches at the discounted value at the time of initial recognition. The rate of discounting has been kept at 10% (average borrowing rate). These present value of the deposit mentioned above will be treated as fair values of the securities deposits and it will be recognized as financial asset accordingly (as the requirement is to recognize at fair value initially). The Difference between carrying amount of the deposits and fair value will be transferred as prepaid expense in case of financial assets (deposits given) and Deferred Income is being accounted through the statement of profit and loss as at the Balance sheet date.

In Case of Rent Expense : Wherever there is escalation to calculate the effect of straight-line rent, we have added the rent amounts for the entire lease term, and then divided the sum by the number of months in the lease term. The then difference between the actual rent and the straight-lined rent is the amount of the accrual or deferral that must be recorded in the statement of Profit and loss. A positive difference is an accrual and the negative difference is a deferral.

This adjustment has resulted in a decrease in total equity amounting to ₹ 137 lacs as at 31 March 2018 (01 April 2017 - ₹ 28 lacs).

vii) Disclosure of MAT credit entitlement

Under IGAAP, the Company has classified MAT credit entitlement under Loans and advances. Under Ind AS, Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

viii) Reclassification of provision of standard / non-performing assets (NPA)

Under the previous GAAP, provisions against standard and non performing assets were presented under provisions. However, under Ind AS financial assets measured at amortised cost (mainly loans) are presented net of provision.

ix) Investment property

Under the previous GAAP, investment properties were presented as part of non-current investments. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

x) Remeasurement of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss under the previous GAAP. As a result of this change, the profit for the year ended 31 March 2018 decreased by ₹617 lacs.

xi) Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

NOTE 62

Amounts below 0.50 lakhs are rounded off and shown as "0".

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

Sudhir N. Pillai

Partner

Membership Number: 105782

Place : Mumbai

Date : 11th May 2019

For and on behalf of the Board of Directors

Motilal Oswal Financial Services Limited

Motilal Oswal

Chairman and Managing Director

DIN : 00024503

Shalibhadra Shah

Chief Financial Officer

Place : Mumbai

Date : 11th May 2019

Raamdeo Agarawal

Joint Managing Director

DIN : 00024533

Kailash Purohit

Company Secretary

FINANCIAL HIGHLIGHTS OF SUBSIDIARY



FINANCIAL HIGHLIGHTS OF SUBSIDIARY FOR YEAR ENDED 31 MARCH 2019

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

₹ in Lakhs

1	Sl. No.	1	2	3	4	5	6	7	8
2	Name of the subsidiary	Motilal Oswal Investment Advisors Limited	MOPE Investment Advisors Private Limited (MOPE)	Motilal Oswal Commodities Broker Private Limited (MOCBPL)	Motilal Oswal Fincap Private Limited (MOIBPL)	Motilal Oswal Finvest Limited (MOFL)	Motilal Oswal Asset Management Company Limited (MOAMC)	Motilal Oswal Trustee Company Limited (MOTC)	Motilal Oswal Capital Limited (MOCL)
3	The date since when subsidiary was acquired	16/06/2006	18/05/2006	06/04/2006	04/09/2009	18/12/2007	14/11/2008	14/11/2008	19/09/2016***
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	The reporting period of all the subsidiaries is similar as of holding company							
5	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	NA	NA	NA	NA	NA	NA	NA
6	Share capital	100	6	41	300	2,948	6,659	10	800
7	Reserves & surplus	11,130	5,773	855	(181)	27,884	32,496	25	(17)
8	Total assets	13,497	9,679	27,066	121	49,980	48,889	35	797
9	Total Liabilities	2,267	3,899	26,170	2	19,149	9,734	0	14
10	Investments	11,209	3,342	–	–	30,728	32,548	28	252
11	Turnover	3,813	6,316	690	4	1,569	57,832	11	51
12	Profit before taxation	794	2,279	(199)	(6)	155	23,332	3	(26)
13	Provision for taxation	270	693	37	(0)	(55)	8,065	1	(7)
14	Profit after taxation	524	1,586	(236)	(6)	210	15,267	2	(19)
15	Other Comprehensive Income	0	(8)	8	1	238	(13)	–	–
16	Total Comprehensive Income	524	1,578	(228)	(5)	448	15,254	2	(19)
17	Proposed dividend	–	–	–	–	–	–	–	–
18	% of shareholding	100	85	100	100	100	97.62	100	97.62

FINANCIAL HIGHLIGHTS OF SUBSIDIARY (Contd.)

₹ in Lakhs

1	2	9	10	11	12	13	14	15	16	17
2	Name of the subsidiary	Motilal Oswal Wealth Management Limited (MOWML)	Motilal Oswal Securities International Private Limited (MOSIPL)	Motilal Oswal Capital Markets (HK) Private Limited (MOCMPL(HK))	Motilal Oswal Capital Markets (Singapore) Pte. Limited	Aspire Home Finance Corporation Limited	Motilal Oswal Real Estate Investment Advisors Private Limited (MORE)	Motilal Oswal Real Estate Investment Advisors II Private Limited (MORE II)	Motilal Oswal Asset Management (Mauritius) Private Limited (MOAMC (Mauritius))	India Business Excellence Management Company (IBEMC)
3	The date since when subsidiary was acquired	29/09/2008	27/06/2011	30/09/2011	30/09/2011	01/10/2013	13/09/2013*	07/03/2014**	08/01/2015***	21/03/2014*
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	The reporting period of all the subsidiaries is similar as of holding company								
5	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	NA	1HKD = Rs. 8.846	1 SGD = Rs.51.228	NA	NA	NA	1 USD = Rs. 69.446	1 USD = Rs.69.446
6	Share capital	8	457	412	1,041	60,087	100	1	269	18
7	Reserves & surplus	7,597	5	(268)	213	22,574	(87)	1,268	(196)	1,894
8	Total assets	9,452	499	145	1,323	4,56,808	14	3,677	82	2,303
9	Total liabilities	1,848	38	0	69	3,74,148	0	2,408	9	391
10	Investments	6,307	-	-	-	5,064	11	0	0	1
11	Turnover	11,039	145	156	270	64,841	0	3,528	101	1,925
12	Profit before taxation	2,159	20	27	35	(21,156)	(1)	1,260	(150)	826
13	Provision for taxation	630	5	-	1	(7,467)	0	383	-	19
14	Profit after taxation	1,529	15	27	34	(13,689)	(1)	877	(150)	807
15	Other Comprehensive Income	(8)	3	-	-	118	-	1	-	-
16	Total Comprehensive Income	1,521	18	27	34	(13,571)	(1)	878	(150)	807
17	Proposed dividend	-	-	-	-	-	-	-	-	-
18	% of shareholding	100	100	100	100	98.01	85	76.50	97.62	85

* through MOPE; ** through MORE; *** through MOAMC

Notes:-

1. There are no subsidiaries which are yet to commence the operation during the year under review.
2. There are no subsidiaries which were liquidated or sold off during the year under review.
3. Share application money is not included in total liability as well as share capital.
4. Turnover includes other income.
5. Percentage of shareholding is Effective Shareholding.

FINANCIAL HIGHLIGHTS OF SUBSIDIARY *(Contd..)*

Part “B”: Associates and Joint Ventures *

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to associate companies and joint ventures

Name of Associates/Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end		Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
		No.	Amount of Investment in Associates/Joint Venture				i. Considered in Consolidation	i. Not Considered in Consolidation
NOT APPLICABLE								

* Disclosure is given only in case of associate company and not in case of other enterprises. The Group consolidates IREF II LLP as an associates following equity accounting.



MOTILAL OSWAL FINANCIAL SERVICES LTD.

Motilal Oswal Tower, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai-400025

www.motilaloswalgroup.com



MOTILAL OSWAL FINANCIAL SERVICES LIMITED

CIN: L67190MH2005PLC153397

Registered Office: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025, Maharashtra, India

E-mail: shareholders@motilaloswal.com | Website: www.motilaloswalgroup.com

Tel: +91 22 7193 4200 / +91 22 7193 4263 | Fax: +91 22 5036 2365

NOTICE OF THE FOURTEENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Fourteenth Annual General Meeting (“AGM”) of the Members of Motilal Oswal Financial Services Limited will be held on Wednesday, July 31, 2019 at 4.00 p.m. at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai - 400025 to transact the following businesses:

Ordinary Businesses:

1. To consider and adopt the Audited Standalone Financial Statement of the Company together with the Report of the Board of Directors and the Auditors thereon for the financial year ended March 31, 2019.
2. To consider and adopt the Audited Consolidated Financial Statement of the Company together with the Report of the Auditors thereon for the financial year ended March 31, 2019.
3. To declare a final dividend of ₹ 4.50 per Equity Share and confirm the interim dividend paid @ ₹ 4.00 per Equity Share to its equity shareholders for the financial year ended March 31, 2019.
4. To appoint a Director in place of Mr. Raamdeo Agarwal (DIN: 00024533), who retires by rotation, and being eligible, offers himself for re-appointment.

Special Businesses:

ITEM NO. 5

Issuance of Equity Shares on Preferential Basis

To consider and if thought fit, to pass the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 42, 62 and any other applicable provisions of the Companies Act, 2013 (“the Act”) read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules 2014, Rule 13 of the Companies (Share Capital and Debentures) Rules 2014 and any other relevant Rules made thereunder and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), any other applicable laws, regulations, policies, guidelines and pursuant to the letters, documents and; agreements executed between the Company, Motilal Oswal Asset Management Company Limited (“MOAMC”) (material subsidiary of the Company)/Motilal Oswal Wealth Management Limited (“MOWML”) (subsidiary of the Company) and respective employee(s) of MOAMC/MOWML (hereinafter referred to as Proposed Allottees), enabling provisions of Memorandum and Articles of Association of the Company and subject to such other approvals, permissions, consents and sanctions of such other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise the powers conferred by this Resolution), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot up to 11,27,992 (Eleven Lakh Twenty Seven Thousand Nine Hundred Ninety Two) Equity Shares of face value of ₹ 1/- each at a premium of ₹ 684.70 per share (hereinafter referred to as the Equity Share / Shares) aggregating to ₹ 685.70/- per share (being the price determined in accordance with the ICDR Regulations basis Relevant Date i.e. July 1, 2019) to below

Motilal Oswal Securities Limited (“MOSL”) has been amalgamated with Motilal Oswal Financial Services Limited (“MOFSL”) w.e.f. August 21, 2018, pursuant to the order dated July 30, 2018 issued by Hon’ble National Company Law Tribunal, Mumbai Bench.

MOFSL Registration Nos.: INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412. AMFI: ARN -146822; Investment Adviser: INA000007100; Insurance Corporate Agent: CA0579, PMS: INP000006712

NOTICE (Contd.)

mentioned proposed allottees on preferential basis by acquiring equity shares held by respective proposed allottees in MOAMC/ MOWML (issue of equity shares for consideration than cash):

Sr. No.	Name of the Proposed Allottee	No. of Shares of face value of ₹ 1/- each held by Proposed Allottee in subsidiary company	No. of Equity Shares of the Company proposed to be issued and allotted (a) ⁽¹⁾	Value (Amount in ₹) i.e. [(a)*685.70] ⁽²⁾
(A)	Employees of MOAMC	Shares of MOAMC		
1)	Mr. Ashish Somaiyaa	1,37,63,624	8,53,783	58,54,39,003
2)	Mr. Manish Sonthalia	20,00,000	1,10,101	7,54,96,256
3)	Mr. Praveen Ladia	6,00,000	33,030	2,26,48,671
4)	Mr. Akhil Chaturvedi	6,00,000	33,030	2,26,48,671
5)	Mr. Siddharth Bothra	5,00,000	27,525	1,88,73,893
6)	Mr. Chandrakant Soni	3,00,000	16,515	1,13,24,336
7)	Mr. Shrinath Mithanthaya	2,00,000	11,010	75,49,557
	Total (A)	1,79,63,624	10,84,994	74,39,80,387
(B)	Employee of MOWML	Shares of MOWML		
1)	Mr. Vijay Goel	13,200	42,998	2,94,83,729
	Total (B)	13,200	42,998	2,94,83,729
	Grand Total (A+B)	1,79,76,824	11,27,992	77,34,64,116

⁽¹⁾ Fractional shares are adjusted

⁽²⁾ Fractional value is rounded off

RESOLVED FURTHER THAT the “Relevant Date” in accordance with the ICDR Regulations shall be July 1, 2019, being the date 30 days prior to the date of passing of the Resolution by the Members of the Company for the proposed preferential issue of Equity Shares.

RESOLVED FURTHER THAT the aforesaid issue and allotment of the Equity Shares shall be made on the following terms and conditions:

- The Equity Shares to be issued and allotted pursuant to this resolution shall be subject to the provisions of the Memorandum of Association and Articles of Association of the Company and shall be listed on the Stock Exchanges on which the existing Equity Shares of the Company are listed.
- The Equity Shares allotted to the allottees shall rank pari-passu with the existing Equity Shares of the Company in all respects (including with respect to dividend and voting rights).
- The Equity Shares shall be allotted within a period of 15 (fifteen) days from the date of passing of this resolution provided where the allotment of the Equity Shares is pending on account of pendency of any approval or permission of such allotment by any regulatory authority or the Central Government, the allotment shall be completed within a period of 15 (fifteen) days from the date of such approval or permission.
- Allotment of Equity Shares shall only be made in dematerialized form.
- The Equity Shares allotted on a preferential basis shall remain locked-in in accordance with the provisions of the ICDR Regulations.

RESOLVED FURTHER THAT the Board be entitled to vary, modify or alter any of the foregoing terms and conditions to conform to those as may be prescribed by Stock Exchanges or any other appropriate authority/ies or in such manner or otherwise as the Board may, in its absolute discretion, deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution and for the purpose of issue and allotment of the Equity Shares and listing thereof with the Stock Exchange(s), the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, desirable or expedient including application to Stock Exchange(s) for obtaining various approvals from Stock Exchanges, filing of requisite documents with the Registrar of Companies, filing of requisite documents with the Depositories, to resolve and settle any questions and difficulties that may arise in the proposed issue, offer and allotment of the said Equity Shares, utilization of issue proceeds, signing of all deeds and documents as may be required and effecting any modifications, changes, variation, alterations, additions and/or deletions to the foregoing conditions as may be required by any regulatory, or other authorities or agencies involved in or concerned with the issue of the Equity Shares without being required to seek any further consent or approval of the members.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors or any other Director(s) or Officer(s) of the Company to give effect to the aforesaid resolution.”

ITEM NO. 6**To provide approval for Enhancing and Entering into Material Related Party Transaction(s)**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Section 188 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with rules framed thereunder (including statutory modification(s) or re-enactment(s) thereof, for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the “Board” and shall include duly constituted Committee(s) thereof) for enhancing and entering into below mentioned related party transactions with Motilal Oswal Home Finance Limited (“MOHFL”) (erstwhile Aspire Home Finance Corporation Limited) (including transactions already entered), a subsidiary of the Company, in one or more tranches, within a period of four years from the date of approval of this resolution:-

Nature of Transaction	Amount (₹ in Crores)
Acquisition of Securities by way of Subscription, Purchase or otherwise.	1,500
Give any guarantee or provide security in favour of various Banks/Financial Institutions /Debenture Trustees, etc. in connection with various credit facilities availed/to be availed by MOHFL.	3,000
Granting Loans.	1,500
Other Transactions including Rent/Leasing Transactions & Rent Deposits, Reimbursement of Expenses, Purchase of Assets, Avail or Provide Services etc. and such other transactions as may be approved by Audit Committee and Board.	250
Total	6,250

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board (including any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in this regard.”

By Order of the Board
Motilal Oswal Financial Services Limited

Sd/-
Kailash Purohit
Company Secretary & Compliance Officer
(ACS: 28740)

Date: July 5, 2019

Place: Mumbai

Notes:

- The Statement as required under Section 102 of the Companies Act, 2013 (“the Act”) relating to the Special Businesses to be transacted at the Annual General Meeting (“AGM”) is annexed hereto.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE FOURTEENTH AGM IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Pursuant to Section 105 of the Act and Rule 19 of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, a Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

The instrument appointing a proxy should, however, be deposited at the Registered Office of the Company not later than forty eight hours before the commencement of the AGM i.e. by 4.00 P.M. of Monday, July 29, 2019. Further, the proxy holder shall carry a valid proof of identity at the AGM.

- In compliance with the provisions of Section 108 of the Act read with the Rules made thereunder and other applicable provisions of the Act and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Company has also provided the facility to the Members to cast their votes by way of Remote e-voting (e-voting from a place other than venue of the Meeting) facility. Necessary arrangements have been made by the Company

NOTICE (Contd.)

with **Central Depository Services (India) Limited ("CDSL")** to facilitate Remote e-voting. The instructions for the process to be followed for Remote e-voting is forming part of this Notice.

4. The Company has appointed Mr. Umashankar K. Hegde, Practicing Company Secretary as the Scrutinizer for scrutinizing the Remote e-voting process as well as voting at the AGM through Ballot Paper, to ensure that the process is carried out in a fair and transparent manner.
5. Interim dividend for the financial year ended March 31, 2019 @ ₹ 4.00/- per Equity Share was paid by February 14, 2019.
6. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting. The Attendance Slip and Proxy Form are annexed to this Notice.
7. In case of joint holders attending the AGM only such joint holder who is higher in the order of names will be entitled to vote.
8. Voting rights shall be reckoned on the paid-up value of shares registered in the name of Member/Beneficial Owners maintained by the Depositories as on the cut-off date i.e. Thursday, July 25, 2019.
9. The Member whose name appears on the Register of Members / Beneficial Owners maintained by the Depositories as on cut-off date i.e. Thursday, July 25, 2019 will only be considered for the purpose of Remote e-voting or voting at the AGM through Ballot Paper.
10. The Members attending the AGM should note that those who are entitled to vote but have not exercised their right to vote by Remote e-voting, may vote at the AGM through Ballot Paper for all businesses specified in the accompanying Notice. The Members who have exercised their right to vote by Remote e-voting may attend the AGM but shall not vote at the AGM.
11. Any Person who becomes a Member of the Company after dispatch of Annual Report and holding shares as on the cut-off date i.e. Thursday, July 25, 2019 shall also follow the procedure stated herein.
12. A person who is not a Member as on the cut-off date i.e. Thursday, July 25, 2019 should treat this Notice for information purpose only.
13. The Members are requested to bring their copy of the Annual Report to the AGM.
14. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
15. The Members who hold shares in electronic form are requested to write their DP ID and Client ID and those who hold shares in physical form are requested to write their Folio No. in the Attendance Slip for attending the AGM.
16. Corporate Members intending to send their authorised representative(s) to attend the AGM are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote at the AGM.
17. Members can avail the facility of nomination in respect of the Equity Shares held by them in physical form pursuant to the provisions of section 72 of the Act. Members desiring to avail this facility may send their nomination in the prescribed format duly filled in to the Registrar & Share Transfer Agent ("RTA") of the Company i.e. Link Intime India Private Limited having their office at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400083.
18. The Members who still hold share certificate(s) in physical form are advised to dematerialise their shareholding to avail the benefits of dematerialization, which include easy liquidity, since trading is permitted in dematerialised form only, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries. Further, effective from April 01, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in a dematerialized form with a depository except in case of transmission or transposition of securities as per the Listing Regulations. Therefore, the Members who still hold share certificate(s) in physical form are advised to dematerialize their shareholding at the earliest.
19. If the dividend as recommended by the Board is approved at the AGM, payment of such dividend will be made on or before Thursday, August 29, 2019 to those Members whose name appear in the Register of Members/Beneficial Owners as on the Record Date i.e. Thursday, July 25, 2019.
20. The Members holding shares in dematerialized form are requested to update with their respective Depository Participant, their bank account details (account number, 9 digit MICR code and 11 digit IFSC), e-mail IDs and mobile number. Members holding shares in physical form may communicate details to the Company/RTA before Wednesday, July 24, 2019 by quoting the Folio No. and attaching a photocopy of the cancelled cheque leaf of their bank account and a self attested copy of their PAN card.
21. This Notice along with the Annual Report for the financial year 2018-19 is being sent to the Members whose name appear in the Register of Members / Beneficial Owners maintained by the Depositories as on cut-off date i.e. Saturday, June 29, 2019. The Notice along with the Annual Report is being sent to Members in electronic form to the Email IDs registered with their Depository Participants (in case of electronic shareholding) / the Company's Registrar and Share Transfer Agents (in case of physical shareholding). For Members whose Email IDs are not registered, physical copy of the Notice along with the Annual Report is being sent by permitted mode. This Notice and Annual Report may also be accessed on website of the Company at www.motilaloswalgroup.com and website of CDSL at www.evotingindia.com. Rule 18(3)(i) of the Companies (Management and Administration) Rules, 2014 requires a Company to provide advance opportunity at least once in a financial year, to the Members to register his e-mail ID and any changes therein. In accordance with the said requirements, we request the Members who do not have their e-mail IDs registered with the Company to get the same registered with the Company. The Members are also requested to intimate to the Company the changes, if any, in their e-mail IDs.

22. Unclaimed Dividend

Pursuant to the provisions of Section 124 and 125 of the Act read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends which remain unclaimed / unpaid for a period of 7 years are required to be transferred to Investor Education and Protection Fund ("IEPF").

The Company requests the Members to claim the unclaimed dividends within the prescribed period. The details of the unclaimed dividends are available on the website of the Company at www.motilaloswalgroup.com and Ministry of Corporate Affairs at www.iepf.gov.in. The Members can contact Link Intime India Private Limited for claiming the unclaimed dividends standing to the credit in their account.

23. Shares transferred to IEPF:

The Equity shares in respect to which dividend has not been encashed for seven consecutive years or more will be required to transfer to IEPF pursuant to Section 124(6) of the Act. Relevant details in this respect are posted on the website of the Company at www.motilaloswalgroup.com in Investor Relations section.

In this regard, the Company has sent intimations to the Members from time to time. The Members are requested to contact Company or RTA to claim their dividend and in case of any pending legal disputes, provide certified copy of order from Court/ Authority restraining transfer, payment of dividend etc. During the financial year 2018-19, Company has transferred 643 Equity Shares to the IEPF authority on September 19, 2018 and 10,099 equity shares on March 18, 2019.

24. The Register of Directors' and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Act and the Register of contracts or arrangements in which Directors are interested under Section 189 of the Act will be available for inspection at the AGM.
25. Additional Information of Directors seeking appointment/re-appointment at the ensuing AGM, as required under Regulation 36(3) of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard-2 on General Meetings ("SS-2"), is annexed to the Notice.
26. All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all the working days except Saturdays, Sundays and public holidays, between 11.00 a.m. and 1.00 p.m., up to the date of the AGM.
27. In the event of any grievance relating to Remote e-voting, the Members may contact the following:
Mr. Rakesh Dalvi, Manager, CDSL, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N. M. Joshi Marg, Lower Parel (East), Mumbai - 400013, E-mail: helpdesk.evoting@cdslindia.com, Call: 1800225533.
28. Route Map showing directions to reach to the venue of the AGM is given at the reverse side of Attendance Slip as per the requirement of the SS-2.

Voting Results:

1. The Scrutinizer shall after the conclusion of the AGM submit the Consolidated Scrutinizer's Report (i.e. votes cast through Remote e-voting or Ballot Paper) of the total votes cast in favour or against the resolution and invalid votes, to the Chairman of the Meeting, who shall countersign the same and declare the result of the voting forthwith.
2. Based on the Scrutinizer's Report, the Company will submit within 48 hours of the conclusion of the AGM to the Stock Exchanges, details of the voting results as required under Regulation 44(3) of the Listing Regulations.
3. The result declared along with Scrutinizer's Report will be placed on the website of the Company at www.motilaloswalgroup.com and on the website of CDSL at www.evotingindia.com and shall also be displayed on the Notice Board of the Company.

INSTRUCTIONS FOR REMOTE E-VOTING:

The Company is pleased to offer Remote e-voting facility for its equity shareholders to enable them to cast their votes electronically. The Company has engaged CDSL as the agency to provide Remote e-voting facility. The detailed process, instructions and manner for availing Remote e-voting facility are provided herein below:

- (i) The Remote e-voting period commences on Sunday, July 28, 2019 at 9.30 a.m. and ends on Tuesday, July 30, 2019 at 5.00 p.m. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 25, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The equity shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on "Shareholders /Members" tab to cast your votes.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.

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- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Address Sticker on Envelope.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, equity shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For equity shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number ("EVSN") for the relevant "Motilal Oswal Financial Services Limited" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Equity Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non-Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

ANNEXURE TO THE NOTICE**The Statement under Section 102 of the Companies Act, 2013 ("the Act")****ITEM NO. 5**

In accordance to the respective Employee Stock Option Scheme(s) of Motilal Oswal Asset Management Company Limited ("MOAMC") (material subsidiary of the Company) and Motilal Oswal Wealth Management Limited ("MOWML") (subsidiary of the Company), the shares of MOAMC / MOWML were allotted to various employee(s) of MOAMC / MOWML (hereinafter collectively be referred to as employees) in lieu of exercise of employee stock options of MOAMC / MOWML.

Further, the letters, documents and; agreements entered between the Company, MOAMC / MOWML and respective employee, wherein the shares held by employee in MOAMC / MOWML were to be swapped with shares of the Company based on pre-decided formula mentioned in the Agreement. Accordingly, as per the said Agreements, the Company would issue and allot equity shares of the Company in exchange, acquire equity shares of MOAMC and MOWML held by the respective employees as per details given in the below table. The proposed issue of Equity Shares of the Company on a preferential basis for consideration other than cash is governed by the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations") (as amended from time to time). The issue price of ₹ 685.70/- (Face Value of ₹ 1/- and Premium of ₹ 684.70/-) per Equity Share, has been determined basis Relevant Date i.e. July 1, 2019, in accordance to the ICDR Regulations. The Equity Shares to be issued and allotted pursuant to the Resolution at Item No. 5 shall be subject to lock in as stipulated under the ICDR Regulations.

The employee wise details of shares of MOAMC / MOWML held along with shares of the Company in exchange are given below:-

Sr. No.	Name of the Proposed Allottee	No. of Shares of face value of ₹ 1/- each held by Proposed Allottee in subsidiary company	No. of Equity Shares of the Company proposed to be issued and allotted (a) ⁽¹⁾	Value (Amount in ₹) i.e. [(a)*685.70] ⁽²⁾
(A)	Employees of MOAMC	Shares of MOAMC		
1)	Mr. Ashish Somaiyaa	1,37,63,624	8,53,783	58,54,39,003
2)	Mr. Manish Sonthalia	20,00,000	1,10,101	7,54,96,256
3)	Mr. Praveen Ladia	6,00,000	33,030	2,26,48,671
4)	Mr. Akhil Chaturvedi	6,00,000	33,030	2,26,48,671
5)	Mr. Siddharth Bothra	5,00,000	27,525	1,88,73,893
6)	Mr. Chandrakant Soni	3,00,000	16,515	1,13,24,336
7)	Mr. Shrinath Mithanthaya	2,00,000	11,010	75,49,557
	Total (A)	1,79,63,624	10,84,994	74,39,80,387
(B)	Employee of MOWML	Shares of MOWML		
1)	Mr. Vijay Goel	13,200	42,998	2,94,83,729
	Total (B)	13,200	42,998	2,94,83,729
	Grand Total (A+B)	1,79,76,824	11,27,992	77,34,64,116

⁽¹⁾ Fractional shares are adjusted

⁽²⁾ Fractional value is rounded off

As required in terms of Regulation 163 of Chapter V of ICDR Regulations and the provisions of Section 62 of the Companies Act, 2013 ("the Act") read with Rule 13(2) of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules 2014 (as amended from time to time), the disclosures in connection with the aforesaid issue of Equity Shares are as follows:

i. Date of the Board Meeting

The proposed preferential allotment was considered and approved in the Board Meeting of the Company on July 5, 2019, subject to approval of members in the forthcoming AGM of the Company.

ii. The objects of the Preferential Issue

The object of the issue of Equity Shares through preferential offer is to discharge the purchase consideration for acquisition of 1,79,63,624 Equity Shares of face value of ₹ 1/- each of MOAMC to be acquired from aforesaid MOAMC employees and 13,200 Equity Shares of face value of ₹ 1/- each of MOWML to be acquired from Mr. Vijay Goel, employee of MOWML, pursuant to the letters, documents and; agreements executed between the Company, MOAMC and respective employees of MOAMC and between the Company, MOWML and Mr. Vijay Goel.

iii. The total number of shares or other securities to be issued

11,27,992 Equity Shares @ issue price of ₹ 685.70/- per share aggregating to issue size of ₹ 77,34,64,116/-

iv. The price or price band at/within which the allotment is proposed

The issue price of equity shares is fixed at ₹ 685.70/- per share which consists of face value of ₹ 1/- and premium of ₹ 684.70/- per Equity Share, as determined in accordance with terms of Regulation 164 of the ICDR Regulations.

v. Basis on which the price has been arrived at along with report of the registered valuer

The Equity Shares of the Company are listed on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) and the Equity Shares of the Company are frequently traded in accordance with Regulation 164 of the ICDR Regulations.

For the purpose of computation of the price per equity share, the higher of the average of the weekly high and low of the volume weighted average price of the related equity shares quoted on the recognised stock exchange during the twenty six weeks preceding the relevant date; or the average of the weekly high and low of the volume weighted average prices of the related equity shares quoted on a recognised stock exchange during the two weeks preceding the relevant date is to be considered.

Since, the trading volume in respect of the Equity Shares of the Company was highest on NSE, the price on NSE was considered. Further, the price of share was highest during the preceding 2 (two) weeks prior to the Relevant Date.

Accordingly, price per Equity Share of ₹ 685.70/- is equal to the price determined in accordance with the above provisions of ICDR Regulations. In this regard, the Company has received pricing Certificate from M/s. U. Hegde & Associates, Practicing Company Secretaries. The copy of the said pricing Certificate is available on the website of the Company at www.motilaloswalgroup.com.

Further, as per Regulation 163 of ICDR Regulations, where the equity shares are issued on a preferential basis for consideration other than cash, the valuation of the assets in consideration for which the equity shares are issued shall be done by an Independent Valuer. Accordingly, pursuant to Regulation 2(kkk) of ICDR Regulations and Section 247 of the Act and the relevant rules framed thereunder or as specified by the SEBI, the Audit Committee of the Company had appointed Mr. Abhishek Apte (IBBI/RV/06/2019/10801) located at B1 Mahesh Niwas, Road No. 3, LT Nagar, Goregaon (West), Mumbai - 400 104 as the Registered Valuer for valuing the equity shares of the Company, MOAMC & MOWML. The copy of said Valuation Report(s) are available on the website of the Company at www.motilaloswalgroup.com.

vi. Relevant date with reference to which the price has been arrived at

In accordance with the provisions of ICDR Regulations, the “Relevant Date” for the purpose of determination of the price of the equity shares shall be July 1, 2019 i.e. being the date 30 (thirty) days prior to the date of passing of this Special Resolution by the Members of the Company in AGM.

vii. The class or classes of persons to whom the allotment is proposed to be made

The proposed allotment is to be made to individuals.

viii. Intention of Promoters, Directors or Key Managerial Personnel to subscribe to the offer

None of the Promoters, Directors or Key Managerial Personnel of the Company are subscribing to the proposed issue.

ix. The proposed time within which the allotment shall be completed

As required under the Regulation 170 of ICDR Regulations, the Company shall complete the allotment of equity shares as aforesaid on or before the expiry of 15 (Fifteen) days from the date of passing of the special resolution by the Members granting consent for preferential issue or in the event if allotment of equity shares would require any approval(s) from any regulatory authority or the Central Government, within 15 (Fifteen) days from the date of such approval(s), as the case may be.

x. The names of the proposed allottees and the percentage of post preferential offer capital that may be held by them

Sr. No.	Name of the Proposed Allottees	Percentage of Post Preferential Offer Capital
1)	Mr. Ashish Somaiyaa	0.58
2)	Mr. Manish Sonthalia	0.07
3)	Mr. Praveen Ladia	0.02
4)	Mr. Akhil Chaturvedi	0.02
5)	Mr. Siddharth Bothra	0.02
6)	Mr. Chandrakant Soni	0.01
7)	Mr. Shrinath Mithanthaya	0.01
8)	Mr. Vijay Goel	0.03
	Total	0.77

The proposed allottees have confirmed that they have not sold any equity shares of the Company during the six months preceding the relevant date.

xi. The change in control, if any, in the company that would occur consequent to the preferential offer;

There shall be no change in management or control of the Company pursuant to the preferential issue of the equity shares.

xii. The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price

During the year, no preferential allotment has been made to any person.

xiii. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer

The proposed allotment is made for consideration other than cash pursuant to the Letters, documents and Agreement(s) executed between the Company, MOAMC/MOWML and Proposed Allottees. Further, the share value of each share of MOAMC/MOWML are derived based on pre-decided formula mentioned in the Agreement. The detailed working with regard to said share value of MOAMC/MOWML is given in the respective Valuation Report issued by the registered valuer.

xiv. The pre issue and post issue shareholding pattern of the Company:-

Sr. No.	Category	Pre-issue		Post-issue	
		No. of shares held	% of shareholding	No. of shares held	% of shareholding
A	Promoters' holding				
1	Indian				
	Individual	2,20,45,322	15.10	2,20,45,322	14.98
	Bodies corporate	8,03,45,667	55.02	8,03,45,667	54.60
	Sub-total	10,23,90,989	70.12	10,23,90,989	69.58
2	Foreign promoters				
	Sub-Total (A)	10,23,90,989	70.12	10,23,90,989	69.58
B	Non-promoters' holding				
1	Institutional investors	2,27,36,676	15.58	2,27,36,676	15.46
2	Non-institutional				
	Private corporate bodies	9,08,239	0.62	9,08,239	0.62
	Directors and relatives	74,04,290	5.07	74,04,290	5.03
	Indian public	1,25,77,546	8.61	1,37,05,538	9.31
	Others (including NRIs)				
	Sub-Total (B)	4,36,26,751	29.88	4,47,54,743	30.42
	Grand Total (A+B)	14,60,17,740	100.00	14,71,45,732	100.00

xv. Lock in period:

The proposed allotment of the equity shares shall be subject to a lock-in as per the requirements of ICDR Regulations.

xvi. Auditor's Certificate:

A Certificate from M/s. Walker Chandiok & Co. LLP, Statutory Auditors of the Company, certifying that the preferential issue of Equity Shares is being made in accordance with requirements of ICDR Regulations is available on the website of the Company at www.motilaloswalgroup.com.

xvii. Undertaking by the Company

Since the equity shares of the Company have been listed on the BSE Limited and National Stock Exchange of India Limited for a period of more than twenty six weeks prior to the relevant date, the Company is not required to re-compute the price of the Equity Shares and hence not required to submit the undertakings specified under Regulation 163 of ICDR Regulation.

Further, neither the Company nor its Promoters or Directors are wilful defaulters.

The copy of Valuation Report(s), Pricing Certificate and Auditor's Certificate are available on the website of the Company at www.motilaloswalgroup.com.

The Board of Directors recommends the Special Resolution set forth in Item No. 5 of the Notice for approval of the Members.

None of the Directors or the Key Managerial Personnel (KMP) of the Company including their relatives is, in any way interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

ITEM NO. 6

The Members of the Company are hereby informed that Motilal Oswal Home Finance Limited (“MOHFL”) (erstwhile Aspire Home Finance Corporation Limited), debenture listed entity, is material subsidiary of Company. MOHFL is engaged in housing finance business. The Members are further informed that the Board of Directors and; Members of the Company vide Postal Ballot on December 27, 2018 have provided approval for entering into below mentioned related party transactions with Motilal Oswal Home Finance Limited (“MOHFL”) (erstwhile Aspire Home Finance Corporation Limited) (including transactions already entered), a subsidiary of the Company, in one or more tranches, within a period of four years from December 27, 2018 (i.e. date of passing resolution).

Amount (₹ in Crores)

Nature of Transaction	Existing Limits
Acquisition of Securities by way of Subscription, Purchase or otherwise.	1,000
Give any guarantee or provide security in favour of various Banks/Financial Institutions /Debenture Trustees, etc. in connection with various credit facilities availed/to be availed by MOHFL.	2,000
Granting Loans.	1,000
Other Transactions including Rent/Leasing Transactions & Rent Deposits, Reimbursement of Expenses, Purchase of Assets, Avail or Provide Services etc. and such other transactions as may be approved by Audit Committee and Board.	250
Total	4,250

In view of the above and in order to reduce the borrowing cost of MOHFL thereby leading to cost benefits at group level and to obtain expeditious dispersals from various Banks/Financial Institutions, the Company proposes to further enhance the limits from ₹2,000 Crores to ₹3,000 Crores to issue guarantee/provide security on behalf of MOHFL in favour of such Banks/Financial Institutions for various credit facilities availed/to be availed by MOHFL in normal course of business. This will allow MOHFL to reduce its cost of borrowing by ~ 50 to 100 bps and which in turn will help in improving Net Interest Margin (“NIM”) over the period. Further, to achieve long term strategic and business objectives, the Company also proposes to enhance the limits from ₹1,000 Crores to ₹1,500 Crores for infusing capital in MOHFL and grant loans from ₹1,000 Crores to ₹1,500 Crores. The aforesaid measures will benefit MOHFL, which is a material subsidiary of the Company and is in the best interest of the Company. The aforesaid transactions will be at arm’s length. Presently, the investment of Company in MOHFL is ₹566.30 Crores and loan book size of MOHFL is ₹4,388.10 Crores as on March 31, 2019. Further, the total Borrowings of MOHFL as on March 31, 2019 is approx. ₹3,586.66 Crores which includes Bank lines of approx. ₹1,550.55 Crores and Non-Convertible Debentures of ₹2,036.11 Crores. MOHFL, being debenture listed entity, has to submit the financial results to Stock Exchange on half yearly basis in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and accordingly, the Financial Results of MOHFL for the year ended March 31, 2019 is also made available on the website of BSE Limited at www.bseindia.com and website of the Company at www.motilaloswalgroup.com.

In accordance to the provisions of the Regulation 23 of Listing Regulations, Material Related Party Transaction means the transaction entered with or transactions to be entered individually or taken together with a Related Party along with previous transactions during a financial year exceeds 10% of the Annual Consolidated Turnover of the Company as per the last Audited Financial Statement of the Company. The Material Related Party Transactions requires approval of the Shareholders by passing an Ordinary Resolution and in respect of voting on such resolution(s), all the related parties shall abstain from voting, irrespective of whether the entity or person is a party to the particular transaction or not, pursuant to Regulation 23(7) of Listing Regulations.

In view of the aforementioned provisions, as the aforesaid enhanced limits of transactions with MOHFL will exceed the prescribed material threshold limits, the approval of the Members of the Company is sought by way of an ordinary resolution for following related party transactions entered/to be entered with MOHFL, in one or more tranches, within a period of four years from the date of approval of this resolution. The transactions are within the permissible limits as approved by the Members under Section 186 of the Companies Act, 2013 (“the Act”).

These related party transactions entered/to be entered into by the Company with MOHFL are in the ordinary course of business and are at arm’s length basis. Therefore the approval of Members is not mandatory under the provisions of the Act and rules framed thereunder; however, the reference of the same is being included in the resolution as an abundant precautionary measure.

The particulars of the transaction(s) pursuant to the provisions of Section 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:-

Name of the Related Party	Motilal Oswal Home Finance Limited (“MOHFL”) (erstwhile Aspire Home Finance Corporation Limited), material subsidiary of the Company
Name of the Director(s) or Key Managerial Personnel (“KMP”) who is related, if any;	<ol style="list-style-type: none"> 1) Mr. Motilal Oswal and Mr. Raamdeo Agarawal - Managing Directors, KMP and Promoters 2) Mr. Navin Agarwal – Managing Director and KMP 3) Mr. Ajay Menon – Whole-time Director and KMP

Nature of relationship	<p>1) Mr. Motilal Oswal and Mr. Raamdeo Agarawal are Promoter of MOHFL and are also Director on Board of MOHFL.</p> <p>2) Mr. Navin Agarwal is Director on Board of MOHFL and is also Shareholder of MOHFL</p> <p>3) Mr. Ajay Menon is Shareholder of MOHFL.</p> <p>However, none of the Directors of the Company holds more than 2% of shareholding in MOHFL</p>	
Nature, Material terms, particulars of the contract or arrangements; and Monetary Value	Nature, Material Terms and Particulars of the contract or arrangements	Amount (₹ in Crores)
	Acquisition of Securities by way of Subscription, Purchase or otherwise	1,500
	Give any guarantee or provide security in connection with a loan in favour of various Banks/ Financial Institutions/ Debenture Trustees, etc.	3,000
	Granting Loans	1,500
	Other Transactions including Rent/Leasing Transactions & Rent Deposits, Reimbursement of Expenses, Purchase of Assets, Avail or Provide Services etc. and such other transactions as may be approved by Audit Committee and Board	250
	Total	6,250
Whether the transactions have been approved by Audit Committee and the Board of Directors	Yes. The Audit Committee and Board of Directors of the Company have approved the transactions at their respective meeting held on July 5, 2019	
Any other information relevant or important for the members to take a decision on the proposed resolution.	To reduce cost of borrowing of MOHFL by ~ 50 to 100 bps, the Company proposes to enhance the limits to issue guarantee/provide security on behalf of MOHFL thereby leading to cost benefits at group level. Further, to achieve long term strategic and business objectives, the Company also proposes to enhance the limits to infuse capital in MOHFL and grant loans.	

The Board expects growth in the business of MOHFL and so is of the opinion that the aforesaid related party transaction is in the best interests of the Company and accordingly recommends the Resolution set forth in Item No. 6 of the Notice for the approval of the Members.

All the related parties shall abstain from voting on the said Resolution.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives is, in any way interested or concerned in the Resolution except to the extent of their Directorship/shareholding, if any, in the Company.

Additional Information of Director seeking re-appointment at the Fourteenth AGM pursuant to SS-2 and Listing Regulations:

Name of Director	Mr. Raamdeo Agarawal
Date of Birth	July 1, 1956
Qualifications	Chartered Accountant
Date of Appointment on the Board	May 18, 2005
Remuneration	The remuneration details are mentioned in Board's Report and Report on Corporate Governance forming part of Annual Report of the Company
Experience/Brief Profile	<p>Mr. Raamdeo Agarawal is the Joint Managing Director of the Company. He started the business along with co-promoter, Mr. Motilal Oswal, in 1987.</p> <p>He is an Associate of Institute of Chartered Accountants of India and also a member of the National Committee on Capital Markets of the Confederation of Indian Industry. Mr. Agrawal specialises in equity research.</p> <p>He has been authoring the annual Motilal Oswal Wealth Creation Study since 1996. In 1986, he wrote the book 'Corporate Numbers Game', along with co-author, Ram K Piparia. He has been featured on 'Wizards of Dalal Street on CNBC TV 18'. He has also authored the book "The Art of Wealth Creation" which compiles insights from his 22 "Wealth Creation Studies".</p>

NOTICE (Contd.)

	Mr. Agarawal has received the “Rashtriya Samman Patra” awarded by the Government of India for being amongst the highest Income Tax payers in the country for a period of 5 years from FY95–FY99 and for a consistent track record of highest integrity. He was also conferred with the ‘Special contribution to Indian Capital Market Award’ by Zee Business in 2011.
Terms and conditions of re-appointment	Re-appointed as a Director liable to retire by rotation
Directorships held in other companies (excluding foreign companies) as on date	<ol style="list-style-type: none"> 1) Passionate Investment Management Private Limited 2) Motilal Oswal Investment Advisors Limited 3) MOPE Investment Advisors Private Limited 4) Motilal Oswal Asset Management Company Limited 5) Motilal Oswal Real Estate Investment Advisors Private Limited 6) Motilal Oswal Home Finance Limited (erstwhile Aspire Home Finance Corporation Limited) 7) Motilal Oswal Foundation
Memberships of committees across companies (only Statutory Committees as required to be constituted under the Act are considered)	A. Audit Committee <ol style="list-style-type: none"> 1) Motilal Oswal Financial Services Limited 2) Motilal Oswal Asset Management Company Limited
	B. Stakeholders Relationship Committee <ol style="list-style-type: none"> 1) Motilal Oswal Financial Services Limited 2) Motilal Oswal Home Finance Limited
	C. Nomination and Remuneration Committee <ol style="list-style-type: none"> 1) Motilal Oswal Asset Management Company Limited
	D. Corporate Social Responsibility Committee <ol style="list-style-type: none"> 1) Motilal Oswal Financial Services Limited 2) Passionate Investment Management Private Limited 3) MOPE Investment Advisors Private Limited 4) Motilal Oswal Asset Management Company Limited 5) Motilal Oswal Investment Advisors Limited
Shareholding in the Company (Equity) as on the date of notice	1,01,62,071 Equity Shares of ₹ 1/- each
Relationship with other Directors / Manager / Key Managerial Personnel	None
Number of Board meetings attended during the FY 2018-19	Four out of Four Meetings

**By Order of the Board of Directors
Motilal Oswal Financial Services Limited**

**Sd/-
Kailash Purohit
Company Secretary & Compliance Officer
(ACS: 28740)**

Date: July 5, 2019
Place: Mumbai



MOTILAL OSWAL FINANCIAL SERVICES LIMITED

CIN: L67190MH2005PLC153397

Registered Office: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai 400025, Maharashtra, India

E-mail: shareholders@motilaloswal.com | Website: www.motilaloswalgroup.com

Tel: +91 22 7193 4200 / +91 22 7193 4263 | Fax: +91 22 5036 2365

**ATTENDANCE SLIP
(To be presented at the entrance)**

Members attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the Meeting hall.

Folio No. / DP ID & Client ID : _____
No. of Shares held: _____
Name of the Member/Proxyholder: _____ (IN BLOCK LETTERS)
Address of the Member : _____ _____ _____
Email ID : _____

I certify that I am a registered shareholder / proxyholder for the registered shareholder of the Company.

I hereby record my presence at the Fourteenth Annual General Meeting of the Company at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai – 400025 on Wednesday, July 31, 2019 at 4:00 p.m.

Name of the Member / Proxyholder

Signature of Member / Proxyholder

Notes:

1. Only Shareholder / Proxyholder can attend the Meeting.
2. Shareholder / Proxyholder should bring his / her copy of the Notice for reference at the Meeting.
3. Those shareholders who have multiple folios with different joint holders may use copies of this Attendance Slip.

ROUTE MAP





MOTILAL OSWAL FINANCIAL SERVICES LIMITED

CIN: L67190MH2005PLC153397

Registered Office: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025, Maharashtra, India

E-mail: shareholders@motilaloswal.com | Website: www.motilaloswalgroup.com

Tel: +91 22 7193 4200 / +91 22 7193 4263 | Fax: +91 22 5036 2365

FORM NO. MGT-11

PROXY FORM

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

CIN	L67190MH2005PLC153397
Name of the Company	MOTILAL OSWAL FINANCIAL SERVICES LIMITED
Registered Office	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai- 400 025, Maharashtra, India.

Name of the Shareholder(s)	
Registered Address	
E-mail ID	
Folio No. / DP ID & Client ID	

I/We, being the shareholder(s) of _____ equity shares of the Motilal Oswal Financial Services Limited, hereby appoint

Name		Signature
Address		
E-mail ID		

OR FAILING HIM/HER;

Name		Signature
Address		
E-mail ID		

OR FAILING HIM/HER;

Name		Signature
Address		
E-mail ID		

as my/our Proxy and whose signature(s) are appended below to attend and vote (on a poll) for me/us and on my/our behalf at Fourteenth Annual General Meeting of the Company at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai – 400025 on Wednesday, July 31, 2019 at 4:00 p.m. and at any adjournment thereof in respect of the Resolutions as indicated below:-

Resolution No.	RESOLUTIONS
1.	Consideration and Adoption of the Audited Standalone Financial Statement of the Company together with the Report of the Board of Directors and the Auditors thereon for the financial year ended March 31, 2019.
2.	Consideration and Adoption of the Audited Consolidated Financial Statement of the Company together with the report of the Auditors thereon for the financial year ended March 31, 2019.
3.	Declaration of final dividend of ₹ 4.50 per Equity Share and confirmation of the interim dividend paid @ ₹ 4.00 per Equity Share to its equity shareholders for the financial year ended March 31, 2019.
4.	Appointment of Director in place of Mr. Raamdeo Agarawal (DIN: 00024533), who retires by rotation, and being eligible, offers himself for re-appointment.
5.	Issuance of Equity Shares on Preferential Basis.
6.	To provide approval for Enhancing and Entering into Material Related Party Transaction(s).

Signed this _____ day of _____ 2019.

Affix Revenue Stamp of ₹ 1/-

Signature of Shareholder : _____

Signature of Proxyholder : _____

Notes:

1. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai - 400025, not later than 48 hours before the commencement of the Meeting.
2. The Proxy Form should be signed across the Revenue Stamp as per specimen signature(s) registered with the Company / Depository Participant.
3. A Proxy need not be a Shareholder.