

Motilal Oswal Financial Services Limited
CIN : L67190MH2005PLC153397
Regd. Office: Motilal Oswal Tower,
Rahimtullah Sayani Road, Opp. Parel ST Depot,
Prabhadevi, Mumbai - 400025.
Board: +91 22 3980 4200 / 7193 4200
Fax: +91 22 3846 2365

August 31, 2018

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: MOTILALOF5

Sub: Notice of the Thirteenth Annual General Meeting along with Annual Report of the Company for the FY 2017-18 and intimation of Record Date for Final Dividend

Dear Sir/Madam,

We wish to inform the Exchange that the Thirteenth Annual General Meeting ("the AGM") of the Members of the Company will be held on Thursday, September 27, 2018 at 4.00 p.m. at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai - 400025.

In this regard, please find enclosed herewith the copy of the Notice of the AGM along with Annual Report for the FY 2017-18.

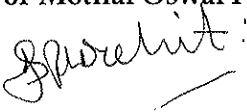
Further, pursuant to the provisions of Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company has fixed 'Friday, September 21, 2018 as the Record Date' for the purpose of determining the Members eligible to receive Final Dividend recommended by the Board of Directors for the FY 2017-18.

The Final Dividend, if approved by the Members at the ensuing AGM will be credited/dispached on or before October 22, 2018.

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



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 3980 4200 / +91 22 7193 4200 | Fax: +91 22 3846 2365

NOTICE OF THE THIRTEENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Thirteenth Annual General Meeting ("AGM") of the Members of Motilal Oswal Financial Services Limited will be held on Thursday, September 27, 2018 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 (Merged) of the Company together with the report of the Board of Directors and the Auditors thereon for the financial year ended March 31, 2018.
2. To consider and adopt the Audited Consolidated Financial Statement (Merged) of the Company together with the report of the Auditors thereon for the financial year ended March 31, 2018.
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, 2018.
4. To appoint a Director in place of Mr. Motilal Oswal (DIN: 00024503), who retires by rotation, and being eligible, offers himself for re-appointment.

Special Businesses:

5. **Appointment of Mr. Navin Agarwal (DIN: 00024561) as Managing Director of the Company**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 160, 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule V to the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of the Articles of Association of the Company and pursuant to the recommendation made by the Nomination and Remuneration Committee and Board of Directors, Mr. Navin Agarwal (DIN:00024561) be and is hereby appointed as Managing Director of the Company for a term of 5 years i.e. from August 21, 2018 to August 20, 2023, being liable to retire by rotation, on the following terms and conditions including remuneration as mentioned herein below:

A. BASIC SALARY:

₹ 96,00,000 /- (Rupees Ninety Six Lakhs Only) per annum.

B. ALLOWANCES:

House Rent Allowance: ₹ 48,00,000/- (Rupees Forty Eight Lakhs Only) per annum.

Supplementary Allowance: ₹ 78,80,100/- (Rupees Seventy Eight Lakhs Eighty Thousand One Hundred Only) per annum.

Leave Travel Allowance: ₹ 75,000/- (Rupees Seventy Five Thousand Only) per annum.

Other Allowance: Other allowance in accordance with the policies of the Company.

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 No(s). AMFI: ARN 146822, IRDA Corporate Agent: CA0579

MOSL: Member of NSE, BSE, MCX, NCDEX. Registration No(s). INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL: IN-DP-16-2015; NSDL: IN-DP-NSDL-152-2000; Research Analyst: INH000000412; Investment Adviser: INA000007100. The said registration No(s). of MOSL would be used until receipt of new MOFSL registration No(s).

C. VARIABLE REMUNERATION:

Variable remuneration by way of incentive / bonus / performance linked incentive payable to Managing Director, as may be determined by the Board and / or the Nomination and Remuneration Committee within the overall permissible limit as prescribed under the provisions of the Act or rules made thereunder or any other applicable laws (as amended from time to time).

D. PERQUISITES:

- The Managing Director may be entitled to free accommodation (Company Owned or leased/rented).
- The Managing Director may be entitled to club membership, telephone and other communication facilities at residence, medical & life insurance, Chauffeur, any other benefits applicable to the employees, etc., in accordance with the policies of the Company.
- The Managing Director shall be entitled to a Company car (owned/leased or hire) in accordance with the policies of the Company.
- The Managing Director shall be entitled to Company's contribution to Provident Fund, benefits of Gratuity, adjustment of earned leave at the end of the tenure.
- The Contribution to National Pension Scheme in accordance with the policies of the Company.

E. It is clarified that employees stock options granted / to be granted to Managing Director, from time to time, shall not be considered as a part of perquisites and that the perquisite value of stock options exercised shall form part of the remuneration.

F. Increment in salary, perquisites and allowances and remuneration based on net profits as may be determined by the Board and / or the Nomination and Remuneration Committee of the Board within the overall permissible limit as prescribed under the provisions of the Act or rules made thereunder or any other applicable laws (as amended from time to time).

RESOLVED FURTHER THAT the remuneration payable to Mr. Agarwal, shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 of the Act or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) in the event of no profit or inadequate profit may alter and vary the terms and conditions of the said appointment and /or remuneration as it may deem fit and as may be acceptable to Mr. Agarwal, subject to the same not exceeding the limits specified under Schedule V of the Act.

RESOLVED FURTHER THAT notwithstanding anything herein, where in any financial year during the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may subject to receipt of the requisite approvals including approval of Central Government, if any, pay to the Managing Director the above remuneration as the minimum remuneration by way of salary, perquisites, performance pay, other allowances and benefits as aforesaid.

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."

6. Appointment of Mr. Ajay Menon (DIN: 00024589) as Whole-time Director of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 160, 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors), Rules, 2014 read with Schedule V to the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of the Articles of Associations of the Company and pursuant to the recommendation made by the Nomination and Remuneration Committee and Board of Directors, Mr. Ajay Menon (DIN:00024589) who was appointed as an Additional Director of the Company with effect from August 21, 2018 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company w.e.f. August 21, 2018 and as Whole-time Director of the Company for a term of 5 years i.e. from August 21, 2018 to August 20, 2023, being liable to retire by rotation, on the following terms and conditions including remuneration as mentioned herein below:

A. BASIC SALARY:

₹ 36,00,000 /- (Rupees Thirty Six Lakhs Only) per annum.

B. ALLOWANCES:

House Rent Allowance: ₹ 18,00,000/- (Rupees Eighteen Lakhs Only) per annum.

Supplementary Allowance: ₹ 27,14,400/- (Rupees Twenty Seven Lakhs Fourteen Thousand Four Hundred Only) per annum.

Leave Travel Allowance: ₹ 60,000/- (Rupees Sixty Thousand Only) per annum.

Other Allowance: Other allowance in accordance with the policies of the Company.

C. VARIABLE REMUNERATION:

Variable remuneration by way of incentive / bonus / performance linked incentive payable to Whole-time Director, as may be determined by the Board and / or the Nomination and Remuneration Committee within the overall permissible limit as prescribed under the provisions of the Companies Act, 2013 or rules made thereunder or any other applicable laws (as amended from time to time).

D. PERQUISITES:

- The Whole-time Director may be entitled to free accommodation (Company Owned or leased/rented).
 - The Whole-time Director may be entitled to club membership, telephone and other communication facilities at residence, medical & life insurance, Chauffeur, any other benefits applicable to the employees, etc., in accordance with the policies of the Company.
 - The Whole-time Director shall be entitled to a Company car (owned/leased or hire) in accordance with the policies of the Company.
 - The Whole-time Director shall be entitled to Company's contribution to Provident Fund, benefits of Gratuity, adjustment of earned leave at the end of the tenure.
 - The Contribution to National Pension Scheme in accordance with the policies of the Company.
- E. It is clarified that employee stock options granted / to be granted to Whole-time Director, from time to time, shall not be considered as a part of perquisites and that the perquisite value of stock options exercised shall form part of the remuneration.
- F. Increment in salary, perquisites and allowances and remuneration based on net profits as may be determined by the Board and/or the Nomination and Remuneration Committee of the Board within the overall permissible limit as prescribed under the provisions of the Companies Act, 2013 or rules made thereunder or any other applicable laws (as amended from time to time).

RESOLVED FURTHER THAT the remuneration payable to Mr. Ajay Menon, shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) in the event of no profit or inadequate profit may alter and vary the terms and conditions of the said appointment and /or remuneration as it may deem fit and as may be acceptable to Mr. Menon, subject to the same not exceeding the limits specified under Schedule V of the Act.

RESOLVED FURTHER THAT notwithstanding anything herein, where in any financial year during the tenure of the Whole-time Director, the Company has no profits or its profits are inadequate, the Company may subject to receipt of the requisite approvals including approval of Central Government, if any, pay to the Whole-time Director the above remuneration as the minimum remuneration by way of salary, perquisites, performance pay, other allowances and benefits as aforesaid.

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."

7. Appointment of Ms. Rekha Shah (DIN: 07072417) as an Independent Director of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152, 160 and any other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of the Articles of Association of the Company and pursuant to the recommendation made by the Nomination and Remuneration Committee and Board, Ms. Rekha Shah (DIN: 07072417), who was appointed as an Additional Independent Director of the Company with effect from August 21, 2018 and who holds office up to the date of this Annual General Meeting of the Company, be and is hereby appointed as an Independent Director of the Company for a term of 5 years i.e. from August 21, 2018 to August 20, 2023."

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."

8. Issuance of Non-Convertible Debentures/Bonds on a private placement basis:

To consider and if thought fit, to pass the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 23, 42, 71 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modifications or re-enactments thereof for the time being in force) and in accordance with the provisions of the SEBI (Issue & Listing of Debt Securities) Regulations, 2008, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Rules, Regulations, Guidelines and Circulars issued by the Reserve Bank of India (“RBI”) (including any statutory modification(s) or re-enactment thereof for the time being in force), the Memorandum and Articles of Association of the Company, any other applicable laws for the time being in force and subject to such other approvals as may be required from regulatory authorities from time to time, 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) to offer, issue and allot, in one or more series/tranches listed/unlisted Secured or Unsecured redeemable Non-Convertible Debentures/Bonds, on a private placement basis, for a period of one year from the date of this Annual General Meeting, aggregating to an amount not exceeding ₹ 2,000 Crores (Rupees Two Thousand Crores only) on such terms and conditions and at such times at par or at such premium or such discount, as may be decided by the Board to such person or persons, including one or more companies, bodies corporate, statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension/provident funds and individuals, as the case may be or to such other person/ persons as the Board may from time to time determine and consider proper and most beneficial to the Company including as to utilization of issue proceeds and all matters connected with or incidental thereto, however that the aggregate amount of funds to be raised by issue of Non-Convertible Debentures/ Bonds shall not exceed ₹ 2,000 Crores (Rupees Two Thousand Crores only).

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.”

9. Approval to Material 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

To consider and if thought fit, to pass the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to Regulation 24(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and any other law for the time being in force and in accordance with the Policy on determination of material subsidiaries adopted by Company, approval of the Company be and is hereby accorded to Motilal Oswal Asset Management Company Limited (“MOAMC”), a material subsidiary of the Company, to sell, lease or dispose (including by way of liquidation of its investments or mortgage or creation of security interests of any kind and in such manner as may be agreed by the Board of Directors of MOAMC and the lenders, on all or any of the present and future immovable and / or movable properties / assets of the MOAMC wherever situated, of every nature and kind whatsoever to secure any Indian Rupee loans, debentures, advances and all other borrowings availed / to be availed by the MOAMC of its assets in any financial year in excess of twenty per cent of the total assets of MOAMC and on such terms and conditions as the Board of Directors of MOAMC may deem fit.

RESOLVED FURTHER THAT any Directors of MOAMC be and are hereby severally authorized to negotiate and finalize the terms and conditions for such sale or lease or dispose of the said assets and to sign such documents, deeds, writings, letters and any other papers in connection thereto and to make modifications thereto as may be necessary or expedient and further to authorize any of its Director(s) and/or any Officer(s) to do all such acts, deeds or things incidental or expedient thereto and as the Board deem fit from time to time.

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: August 21, 2018
Place: Mumbai

Notes:

1. The Statement as required under Section 102 of the Companies Act, 2013 ("the Act") relating to the Special Business to be transacted at the Annual General Meeting ("AGM") is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE THIRTEENTH 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 6.00 P.M. of Tuesday, September 25, 2018. Further, the proxy holder shall carry a valid proof of identity at the AGM.
3. In compliance with the provisions of the Section 108 and 110 of the Act read with the Rules made thereunder and other applicable provisions of the Act, Secretarial Standard on General Meetings ("SS-2") 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 with Central Depository Services (India) Limited ("CDSL") to facilitate Remote e-voting. The instructions for the process to be followed for Remote e-voting are annexed to 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. The Audited Financial Statement (Standalone and Consolidated) are updated after giving effect to 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") pursuant to approval provided by the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") vide its Order dated July 30, 2018. The Scheme is made effective from August 21, 2018. The appointed date is April 01, 2017.
6. The requirement to place the matter relating to appointment of Statutory Auditors for ratification by Members at every AGM has been done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Statutory Auditors of the Company i.e. M/s. Walker Chandiook & Co. LLP, Chartered Accountants, who were appointed by the Members of the Company at the Twelfth AGM held on July 27, 2017 for a term of five years i.e. from the conclusion of Twelfth AGM till the conclusion of the Seventeenth AGM.
7. Interim dividend for the year ended March 31, 2018 @ ₹ 4.00/- per Equity Share was paid by February 22, 2018.
8. Members/Proxies should bring the Attendance Slip duly filled in for attending the Meeting. The Attendance Slip and Proxy Form are attached as annexure to the Notice.
9. 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.
10. 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. Friday, September 21, 2018.
11. The Member whose name appears on the Register of Members / Beneficial Owners maintained by the Depositories as on cut-off date i.e. Friday, September 21, 2018 will only be considered for the purpose of Remote e-voting or voting at the AGM through Ballot Paper.
12. 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.
13. 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. Friday, September 21, 2018 shall also follow the procedure stated herein.
14. A person who is not a Member as on the cut-off date i.e. Friday, September 21, 2018 should treat this Notice for information purpose only.
15. The Members are requested to bring their copy of the Annual Report to the AGM.
16. 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.
17. 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.

18. 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.
19. 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 and 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.
20. 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 December 5, 2018 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 SEBI Listing Regulations. Therefore, the Members who still hold share certificate(s) in physical form are advised to dematerialize their shareholding at the earliest.
21. If the dividend as recommended by the Board is approved at the AGM, payment of such dividend will be made on or before October 22, 2018 to those Members whose name appear in the Register of Members/Beneficial Owners as on the Record Date i.e. Friday, September 21, 2018.
22. 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 Thursday, September 20, 2018 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.
23. This Notice along with the Annual Report for the financial year 2017-18 is being sent to the Members whose name appear in the Register of Members/ Beneficial Owners maintained by the Depositories as on Friday, August 24, 2018. 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.
24. **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.
25. **Shares due to transfer 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 Investors Education and Protection Fund ("IEPF") pursuant to Section 124(6) of the Companies Act, 2013. 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 any pending legal disputes, provide certified copy of order from Court/ Authority restraining transfer, payment of dividend etc. During the financial year 2017-18, Company has transferred 2,309 Equity Shares to the Investor Education and Protection Fund (IEPF) authority on December 13, 2017.
26. 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 made available for inspection at the AGM.
27. 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 SS-2, is annexed to the Notice.

28. 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.
29. In the event of any grievance relating to Remote e-voting, the Members may contact the following: Mr. Rakesh Dalvi, Deputy 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, Helpdesk: 1800225533.
30. 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 Monday, September 24, 2018 at 9:30 a.m. (IST) and ends on Wednesday, September 26, 2018 at 5:00 p.m. (IST). During this period equity shareholders of the Company holding shares either in Physical Form or in Demat Form, as on the cut-off date i.e. Friday, September 21, 2018, may cast their vote electronically. The Remote e-voting module shall be disabled by CDSL after aforesaid period.
- (ii) The equity shareholders should log on to the Remote e-voting website at 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. Equity shareholders 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.
- (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 Equity Shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both i.e. for equity shareholders holding shares in Demat Form and Physical Form) <ul style="list-style-type: none"> • Equity shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number.
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 Company / Depository Participant, please enter the DP ID and Client 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) Equity shareholders holding shares in Physical Form will then reach directly to 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 resolution(s) of any other company on which they are eligible to vote, provided that company opts for Remote

NOTICE *(Contd..)*

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 Remote e-voting on the resolution(s) contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number (“EVSN”) of “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(s) 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 print of the voting done by you 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. 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 Equity Shareholders and Custodians:**
 - Non-Individual Equity Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporate(s).
 - 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.

In case you have any queries or issues regarding Remote e-voting, you may refer the Frequently Asked Questions (“FAQs”) and Remote e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

ANNEXURE TO THE NOTICE

The Statement under Section 102 of the Companies Act, 2013 (“the Act”)

ITEM NO. 5

The Board of Directors at its Meeting held on August 21, 2018 had, subject to approval of Members at the ensuing Annual General Meeting, appointed Mr. Navin Agarwal (DIN: 00024561) as Managing Director for a term of 5 years i.e. from August 21, 2018 to August 20, 2023.

Mr. Agarwal is Non-Executive Director since May 18, 2005. He is responsible for the Institutional Broking & Investment Banking Businesses and has been instrumental in building a market leading position in the Institutional Broking business. Leveraging on the dominant positioning in institutional business, he has also been instrumental in building an Institutional Derivatives business when derivative products were introduced in the Indian markets. As a member of the Board, Mr. Agarwal believes in leveraging the core strengths of a strong brand, a vast distribution network and unmatched research capabilities and has been closely involved in strategizing and reviewing all the other business of the Company.

The Board is of the view that the Company would greatly benefit from the rich and varied experience of Mr. Agarwal and accordingly recommends the Ordinary Resolution set forth in Item No. 5 of the Notice for approval of the Members.

The brief profile including additional information of Mr. Agarwal is annexed to the Notice.

Save and except Mr. Agarwal being the appointee, none of the Directors or Key Managerial Personnel 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

Mr. Ajay Menon (DIN: 00024589) was Chairman and Managing Director of erstwhile Motilal Oswal Securities Limited (“MOSL”), wholly owned subsidiary of the Company. Pursuant to the Amalgamation of MOSL with the Company w.e.f. August 21, 2018 and considering over 15 years of capital markets experience of Mr. Menon in broking industry, the Board of Directors at its Meeting held on August 21, 2018 had appointed Mr. Ajay Menon as an Additional Director of the Company w.e.f. August 21, 2018 in accordance with the provisions of Section 161 of the Companies Act, 2013 (“the Act”) to hold office up to this Annual General Meeting, basis on the recommendation of the Nomination and Remuneration Committee of the Company. Mr. Menon is appointed as Director of the Company w.e.f. August 21, 2018 and as Whole-time Director of the Company for a term of 5 years i.e. from August 21, 2018 to August 20, 2023, subject to approval of Members at the ensuing Annual General Meeting.

The Board is of the view that the Company would greatly benefit from the rich and varied experience of Mr. Menon and accordingly recommends the Ordinary Resolution set forth in Item No. 6 of the Notice for approval of the Members.

The brief profile including additional information of Mr. Menon is annexed to the Notice.

Save and except Mr. Menon being the appointee, none of the Directors or Key Managerial Personnel 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. 7

Ms. Rekha Shah (DIN: 07072417) was Independent Director on the Board of erstwhile Motilal Oswal Securities Limited (“MOSL”), wholly owned subsidiary of the Company. Pursuant to the amalgamation of MOSL with the Company w.e.f. August 21, 2018 and considering the experience and expertise of Ms. Shah in broking industry, the Board of Directors at its Meeting held on August 21, 2018 had appointed Ms. Rekha Shah as an Additional Director of the Company w.e.f. August 21, 2018 in accordance with the provisions of Section 161 of the Companies Act, 2013 (“the Act”) to hold office up to this Annual General Meeting, basis on the recommendation of the Nomination and Remuneration Committee of the Company. Ms. Shah is appointed as Director of the Company w.e.f. August 21, 2018 and as Independent Director of the Company for a term of 5 years i.e. from August 21, 2018 to August 20, 2023, subject to approval of Members at the ensuing Annual General Meeting.

The Board is of the view that the Company would greatly benefit from the rich and varied experience of Ms. Shah and accordingly recommends the Ordinary Resolution set forth in Item No. 7 of the Notice for approval of the Members.

The Company has received a declaration from Ms. Shah, that she is not disqualified to be appointed as an Independent Director under the Act.

The brief profile including additional information of Ms. Shah is annexed to the Notice.

Save and except Ms. Shah being the appointee, none of the Directors or Key Managerial Personnel 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. 8

The Members of the Company are hereby informed that pursuant to Section 42 of the Companies Act, 2013 read with the Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (as amended from time to time), in case of offer and invitation for non-convertible debentures, it shall be sufficient if the Company passes a previous special resolution only once in a year for all the offers or invitation for such debenture during the year.

In view of the above, the Company had obtained approval of members in Annual General Meeting held on July 27, 2017 for offering or making an invitation to subscribe to Non-Convertible Debentures ("NCDs")/Bonds on a private placement basis upto an aggregate amount of ₹ 1000 Crores (Rupees One Thousand Crores Only). Since said approval is valid for period of one year and Company would be in need of additional funds, accordingly, the Board of Directors of the Company proposes to offer or making an invitation to subscribe to NCDs on a private placement basis subject to approval of members. Further, the Section 42 of the Companies Act, 2013 has been amended vide notification of Section 10 of the Companies (Amendment), 2017 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Amendment Rules, 2014 by the Ministry of Corporate Affairs ("MCA") w.e.f August 7, 2018 which allows Company to issue NCDs without passing special resolution once in a year, if the Company has taken approval of the Members by way of special resolution for borrowings under Section 180(1)(c) of the Companies Act, 2013. However, the limits approved for borrowings under Section 180(1)(c) of the Companies Act, 2013 doesn't specify the limits for issuance of NCDs. Hence, it is proposed to take a fresh approval from Members of the Company for issuance of NCDs/Bonds on a private placement basis.

NCDs including but not limited to subordinated debentures, bonds and/or other debt securities etc. issued on a private placement basis would constitute one of the source of borrowings for the Company. In order to augment resources for, inter alia, financing its business activities including lending business, all types of investments including investment in capital markets subject to applicable statutory and/or regulatory requirements, to repay our existing loans and fund our business operations, the ongoing capital expenditure, long term working capital/short term working capital and for general corporate purposes, the Company may offer or invite subscription for securities including but not limited to secured/ Unsecured Redeemable Non-Convertible Debentures within the overall limits up to ₹ 2000 crores (Rupees Two Thousand Crores Only) in one or more series/ tranches on private placement, issuable/redeemable at discount/par/premium. Accordingly, the Board recommends the Special Resolution set forth in Item No. 8 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel 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. 9

In accordance to the provision of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Motilal Oswal Asset Management Company Limited (MOAMC), qualifies to be a material subsidiary of the Company. In view of the provision of Regulation 24(6) of the Listing Regulations, selling, disposing or leasing of assets amounting to more than twenty per cent of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders of the holding Company by way of special resolution.

MOAMC raise resources by borrowing monies from time to time from various sources for the purpose of its business. Such borrowings may be secured by way of mortgage and/or creation of other security interests of any kind or in respect of all or part of the immovable and/or moveable properties of MOAMC, both present and future, in favour of the lenders/trustees. Such mortgage or creation of security interests may amount to disposal of assets of material subsidiary.

Further, MOAMC make investments in various instruments and subsequently liquidate such investments which would amount to disposal of assets. Accordingly, the approval of the members by way of special resolution is sought under Regulation 24(6) of the Listing Regulations, to enable the Board of Directors of MOAMC to sell, lease or dispose of its assets in any financial year in excess of twenty per cent of the assets and on such terms and conditions as they thinks fit.

Accordingly, the Board recommends the Special Resolution set forth in Item No. 9 of the Notice for approval of the Members.

Save and except Mr. Raamdeo Agarawal, who is Director on the Board of MOAMC, none of the Directors or Key Managerial Personnel 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.

Additional Information of Directors seeking re-appointment/appointment at the Thirteenth AGM pursuant to SS-2 and Listing Regulations:

Name of the Director	Mr. Motilal Oswal	Mr. Navin Agrawal	Mr. Ajay Menon	Ms. Rekha Shah
Date of Birth	May 12, 1962	June 4, 1971	September 25, 1974	June 18, 1965
Qualifications	Chartered Accountant	Chartered Accountant Cost and Works Accountant Company Secretary Chartered Financial Analyst	Chartered Accountant	Bachelor of Management Studies from JBIMS (Jamanalal Bajaj Institute)
Date of Appointment/ Re-appointment on the Board	May 18, 2005	August 21, 2018	August 21, 2018	August 21, 2018
Remuneration	(2)	(2)	(2)	N.A. ⁽³⁾
Experience/Brief Profile	<p>Mr. Motilal Oswal has served on Governing Board of the BSE, Indian Merchant's Chamber (IMC) and has also served on various committees of BSE, NSE, SEBI and CDSL. He is the President of the Jain International Trade Organisation (JITO) and has been awarded the Rashtriya Samman Patra by the Government of India for being amongst the Highest income tax payers in the country for a period of 5 years.</p> <p>Mr. Oswal has authored two books of quotations on 'The Essence of Business & Management' and 'Essence of Life'.</p>	<p>Mr. Navin Agarwal started his career as a Senior Analyst with Insight Asset Management in 1994. In the year 1996, he was appointed the Head of Research & subsequently took up the additional responsibility of Portfolio Management in 1998. He is affiliated with prestigious organizations like Institute of Chartered Accountants of India, Institute of Cost and Works Accountant of India, Institute of Company Secretaries of India and CFA Institute, Virginia.</p> <p>He has also co-authored a Book 'India's Money Monarchs' featuring interactions with India's leading investment managers.</p>	<p>Mr. Ajay Menon is a member of the Institute of Chartered Accountants of India and has done his graduation from Narsee Monjee College of Commerce and Economics, Mumbai. He has also cleared the Series 7, 24 and 63 of FINRA Regulations. He possesses over 15 years of capital markets experience. He joined the Group in 1998 and was responsible for operations, compliance, legal, risk management, business process excellence and information technology. He has been the cornerstone of MOSL's strong performance track record and a driving force behind the operational excellence at the Group which has enabled the businesses to deliver strong customer delight. He has also been instrumental in various change initiatives including driving a culture of systems and processes across all group businesses. He has also engineered the development of several state-of-the-art technology initiatives to provide businesses a cutting edge and also a unique value proposition within the spaces they operate. Besides, a strong focus on compliance and risk management has helped the group deliver superior business results even during volatile market conditions.</p>	<p>Ms. Rekha Shah is the founder of Analyze N Control, which is actively involved in providing solutions w.r.t Process Automation, Compliance, Surveillance and AML Risk Management to the Broking Industry. She has done her Business Management from one of the leading Business Schools of India, JBIMS (Jamanalal Bajaj Institute of Management Studies). Further, she also holds a graduation degree from Narsee Monjee College of Commerce and Economics, University of Mumbai and possess an enriched experience of more than 18 years in Broking Industry. She worked with various well known Indian business houses like Tata Group, Intermediaries such as Vadodara Stock Exchange, UTI Securities (erstwhile), Kotak Securities, JM Morgan Stanley (erstwhile), etc. and has also given training sessions.</p>
Terms and conditions of appointment / re-appointment	Appointed as a Director liable to retire by rotation.	Appointed as Managing Director of the Company for a term of 5 years.	Appointed as Whole-Time Director of the Company for a term of 5 years.	Appointed as an Independent Director of the Company for a term of 5 years.
Directorships held in other companies (excluding foreign companies) as on date	<ol style="list-style-type: none"> 1) Motilal Oswal Capital Limited 2) Aspire Home Finance Corporation Limited 3) MOPE Investment Advisors Private Limited 4) Passionate Investment Management Private Limited 5) Motilal Oswal Investment Advisors Limited 6) Motilal Oswal Real Estate Investment Advisors II Private Limited 7) Motilal Oswal Real Estate Investment Advisors Private Limited 8) Motilal Oswal Trustee Company Limited 	<ol style="list-style-type: none"> 1) Motilal Oswal Capital Markets Limited (Erstwhile Motilal Oswal Capital Markets Private Limited) 2) Motilal Oswal Capital Limited 3) Motilal Oswal Investment Advisors Limited 4) Motilal Oswal Real Estate Investment Advisors II Private Limited 	<ol style="list-style-type: none"> 1) Motilal Oswal Capital Markets Limited (Erstwhile Motilal Oswal Capital Markets Private Limited) 2) Motilal Oswal Securities International Private Limited 3) Motilal Oswal Commodities Broker Private Limited 4) Motilal Oswal Wealth Management Limited 5) Motilal Oswal Finsec IFSC Limited 	Nil

NOTICE (Contd.)

Name of the Director	Mr. Motilal Oswal	Mr. Navin Agrawal	Mr. Ajay Menon	Ms. Rekha Shah
Memberships of committees across companies (only Statutory Committees as required to be constituted under the Act are considered)	A. Audit Committee 1) Motilal Oswal Trustee Company Limited 2) Aspire Home Finance Corporation Limited B. Stakeholders Relationship Committee 1) Motilal Oswal Financial Services Limited C. Nomination and Remuneration Committee 1) Aspire Home Finance Corporation Limited D. Corporate Social Responsibility Committee 1) Motilal Oswal Financial Services Limited 2) Passionate Investment Management Private Limited 3) MOPE Investment Advisors Private Limited 4) Aspire Home Finance Corporation Limited 5) Motilal Oswal Investment Advisors Limited	A. Stakeholders Relationship Committee 1) Motilal Oswal Financial Services Limited B. Corporate Social Responsibility Committee 1) Motilal Oswal Investment Advisors Limited	Nil	Nil
Shareholding in the Company (Equity)	1,16,39,607 ⁽¹⁾	70,04,010 ⁽¹⁾	4,10,000 ⁽¹⁾	None
Relationship with other Directors / Manager/ Key Managerial Personnel	None	None	None	None
Number of Board meetings attended during the FY 2017-18	Four out of Four Meetings	Four out of Four Meetings	Not Applicable	Not Applicable

⁽¹⁾ The Details of Shareholding is as on August 21, 2018

⁽²⁾ The Remuneration details is mentioned in resolution and Board's Report of the Company.

⁽³⁾ The Director is entitled to receive sitting fees and commission as paid to other Non-Executive Directors of the Company.

By Order of the Board
Motilal Oswal Financial Services Limited

Sd/-
Kailash Purohit
Company Secretary & Compliance Officer
(ACS: 28740)

Date: August 21, 2018

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 3980 4200 / +91 22 7193 4200 | Fax: +91 22 3846 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 Thirteenth Annual General Meeting of the Company at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai – 400025 on Thursday, September 27, 2018 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



*Elphinstone Road Railway Station is now known as Prabhadevi Station.



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 3980 4200 / +91 22 7193 4200 | Fax: +91 22 3846 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.

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 Thirteenth Annual General Meeting of the Company at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai – 400025 on Thursday, September 27, 2018 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 (Merged) of the Company together with the report of the Board of Directors and the Auditors thereon for the financial year ended March 31, 2018.
2.	Consideration and Adoption of the Audited Consolidated Financial Statement (Merged) of the Company together with the report of the Auditors thereon for the financial year ended March 31, 2018.
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, 2018.
4.	Appointment of Director in place of Mr. Motilal Oswal (DIN: 00024503), who retires by rotation, and being eligible, offers himself for re-appointment.
5.	Appointment of Mr. Navin Agarwal (DIN: 00024561) as Managing Director of the Company
6.	Appointment of Mr. Ajay Menon (DIN: 00024589) as Whole-time Director of the Company
7.	Appointment of Ms. Rekha Shah (DIN: 07072417) as an Independent Director of the Company
8.	Issuance of Non-Convertible Debentures/Bonds on a private placement basis
9.	Approval to Material 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

Signed this _____ day of _____ 2018.

Affix Revenue Stamp of ₹ 1/-

Signature of Shareholder : _____

Signature of Proxyholder : _____

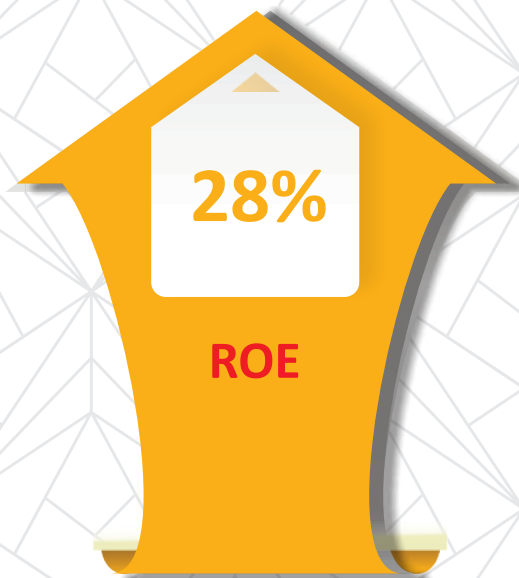
Notes:

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.

↑
THINK
PERFORMANCE
THINK
MOTILAL OSWAL



ANNUAL REPORT 2017-18



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AWARDS & ACCOLADES 2017-18

Brand of the Year
CNBC TV18
India Business
Leadership Awards
2018

**Outstanding
Institution Builder**
(Mr. Motilal Oswal)
9th AIMA Managing
India Awards
2018

Ranked among
**India's 15 Best
Workplaces in BFSI**
Great Place to Work
Survey 2018

**Fortune 500
Company**
by Fortune India
Magazine 2018

MOAMC awarded as
Best Portfolio Manager
ASSOCHAM Capital
Markets Intermediaries
Excellence Awards 2017

MOAMC ranked
among **Asia's Top 100
Money Managers**
by Institutional
Investor Magazine 2018

**Private Equity
(Mid-size Fund)
Exit Performance
of the Year 2017**
IVCA Conclave 2018

MOAMC awarded
as the
Best Equity Fund House
Thomson Reuters
Lipper Awards 2018

MOFSL
featured in
**Forbes Super 50
Companies 2017**

**Best performing
National Financial
Advisor- Equity Broker**
CNBC TV18 Financial
Advisory Awards 2016-17

**Commodity
Broker of the
Year 2016 - 17**
MCX Excellence
Awards

**Marketing
Campaign of the
Year (BFSI)**
International Business
Awards® 2018
(Stevie® Awards)

Best Real Estate Fund of the Year - Domestic
CNBC - AWAAZ
Real Estate Awards
2016 -17

Blue Elephant
Best film advertising
Kyoorius Creative
Awards 2018

3 awards for
Creative Excellence
at the ABBY Awards
2018

GOLD for
Marketing Effectiveness
Global ACEF
Customer Engagement
Awards 2018

Hottest 50 Brands-
Mumbai Brand
Summit organized by
Paul Writer 2018

Finnoviti Award 2018
by Banking
Frontiers Magazine
for **MO Genie**

In-house PR Team
of the Year (Mid-size)
Fulcrum Awards 2017

Best Advertising
Campaign for
Creative Excellence
International
Association Awards
2018

AHFCL Awarded
Best NBFC &
Runner-up in
Eco Technology Savvy
NBFC in MSME Banking
& NBFC Excellence
Awards 2016

Second prize for
Best Performing
Primary Lending
Institution under CLSS
for EWS/LIG by Ministry
of Housing and Urban
Poverty Alleviation
2017

Finnoviti Award 2017
by Banking
Frontiers Magazine
for **Watch App**

Best Boutique
Wealth Manager India
The Asset Triple A
Awards 2018

MESSAGE FROM THE CHAIRMAN



Mr. Motilal Oswal

Chairman, Managing Director &
Chief Executive Officer, MOFSL

Dear Shareholders,

It gives me great pleasure to share with you our performance in the last year. FY2018 marked continuing progress towards the strategic objective outlined a few years ago to achieve a business model offering greater linearity and higher Return on Equity. We remain excited by the overall positioning of each of our businesses to capitalise on the various tailwinds created by financialisation of savings, shift from unorganised to organised due to demonetisation and GST and several other macro trends. We reported our highest ever annual revenues and profits in FY2018. FY2018 consolidated revenue of ₹ 2,770 crores, up 43% YoY. FY2018 PAT of ₹ 562 crores, up 56% YoY. In line with our stated objective of achieving sustainable 20% ROE over the long term, our reported ROE in FY2018 was 28%. All our businesses still offer significant headroom for growth. We have been investing in manpower, technology & processes, and are well placed to capture these ensuing growth opportunities.

In terms of business verticals, our asset-based businesses (comprising of asset management, private equity and wealth management), saw solid traction in mobilisation, as well as robust investment performance in asset management. In private equity business, funds are delivering on profitability and scalability fronts and in wealth management strong RM addition and their vintage will drive profitability. In our capital markets businesses (comprising of retail broking, institutional broking & investment banking), our strategy in retail broking to bring in linearity through the trail-based distribution business is showing results. In institutional equities business, our rankings with existing clients and contribution of domestic institution improved and new client additions were encouraging. Investment banking showed strong results in FY2018 with highest ever revenues and deals with marquee clients, led by the ECM business. Our housing finance business, which focuses on affordable housing space, has seen a year of consolidation with cautiously calibrated growth amid seasoning of the book and rising NPL scenario. Asset quality deterioration was mainly on account of delay in setting up of collection & legal organization and prolonged impact of external shocks in the economy (Demonetization, GST, and RERA). In FY18, we have set up a strong collection vertical. We have also strengthened the management team along with ramp-up of critical functions like Credit, Technical, Collections, Operations, HR, Business Process & Quality and Compliance. In FY18, several measures were taken by strengthening systems, processes, operations & people in order to build a strong foundation for sustainable growth in future. 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 will form a part of reported earnings from FY19. Our long-term track record in investment performance, as seen from the 14-year CAGR returns of our flagship product, augurs well for this fund based business.

In terms of financial performance, our revenue of ₹ 2,770 crores in FY2018 was a highest for the Group. This uptick in topline was backed by strong growth across most of our businesses - asset and wealth management up 66% YoY and capital markets up 47% YoY. Our PAT of ₹ 562 crores in FY2018 was also a high for the Group. This uptick was led by improved profitability across all businesses - asset and wealth management up 60% YoY and capital markets up 64% YoY. We have made significant investments into manpower, brand, technology & processes in recent years.

While our ROE on the reported PAT was 28% in FY2018, it does not include the impact of unrealized gains from investments in our mutual funds. Had this been included, our FY2018 ROE would have been ~32%.

In terms of key business highlights, we improved our equity market share in the high yield cash segment in our overall broking business. Our distribution AUM improved significantly this year, up 71% YoY. Given that only a small portion of our network has been tapped so far, the potential to increase cross-selling still remains immense. Our online initiatives are evincing significant client interest, apart from expanding our reach and productivity at incrementally lower costs. Following continued efforts, blocks activity in institution broking has gained significant traction. We participated in fifteen ECM transactions in our investment banking business, which is the best ever performance in terms of a number of deals and value of transactions. In asset management, our position as a niche equity specialist based on our QGLP investing process has been well accepted across the distributor fraternity which can be seen in our net sales amount which has more than doubled from FY2017 level to ₹ 128bn, +125% YoY. In private equity, our first fund is in exit stage and has earned us healthy carry income this year. This business has scaled up across both the growth capital and real estate funds. In wealth management, a strong brand image is helping attract quality RM talent which has grown at a healthy rate. We continue to see solid traction in mobilization and client count in this business. The housing finance business has been consolidated this year. We invested into collection manpower, technology, strengthening of credit underwriting and processes.

At a macro level, the shift from physical savings to financial savings in India augurs well for our businesses. The government continues to drive the right initiatives in the affordable housing space. Domestic mutual funds have witnessed unprecedented inflows. The revival of the IPO market should only bring more quality companies into listed space. As these broader trends translated into business opportunities, our investments in critical areas give us the ability to capture these opportunities as they unfold further.

To sum up, our strategy of the diversified business model towards linear sources of earnings is showing definite results with 56% PAT growth in FY18. All our businesses continue to grow strongly, make significant investments, are building scale and offer operating leverage. Our brand is now being recognized in each of our businesses. RoE is best in class at 28% and 32% including unrealised gains. We remain excited about the headroom to grow in our businesses and remain sharply focused on each of our businesses.

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 AGARWAL
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 Chandio & Co. LLP, Chartered Accountants

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.motilalgroup.com

Board: +91 22 3980 4200/7193 4200

Fax: +91 22 3846 2365

Email: shareholders@motilalgroup.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 No(s). AMFI: ARN 146822, IRDA Corporate Agent: CA0579

MOSL: Member of NSE, BSE, MCX, NCDEX. Registration No(s). INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL: IN-DP-16-2015; NSDL: IN-DP-NSDL-152-2000; Research Analyst: INH000000412; Investment Adviser: INA000007100. The said registration No(s). of MOSL would be used until receipt of new MOFSL registration No(s).

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 SOMAIYAA
CEO, Asset Management Business



VISHAL TULSYAN
Managing Director & CEO,
Private Equity Business



VIJAY KUMAR GOEL
CEO, Private Wealth
Management Business

Important Functions



ANIL NAIR
Deputy Managing Director,
Housing Finance Business



RAMNIK CHHABRA
Group Head, Marketing



SUDHIR DHAR
Group Head, Human Resource
& Administration



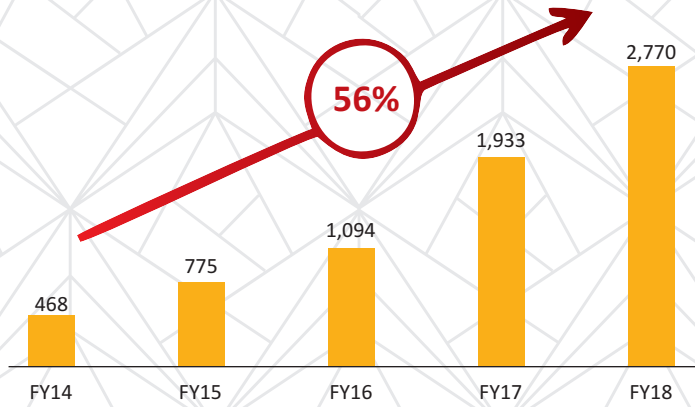
SHALIBHADRA SHAH
Chief Financial Officer



PANKAJ PUROHIT
Group Head,
Information Technology

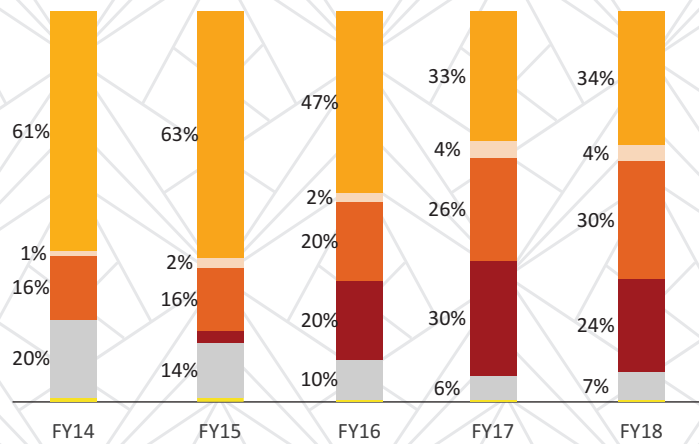
PERFORMANCE AT A GLANCE

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



*Prior figures have been regrouped wherever necessary

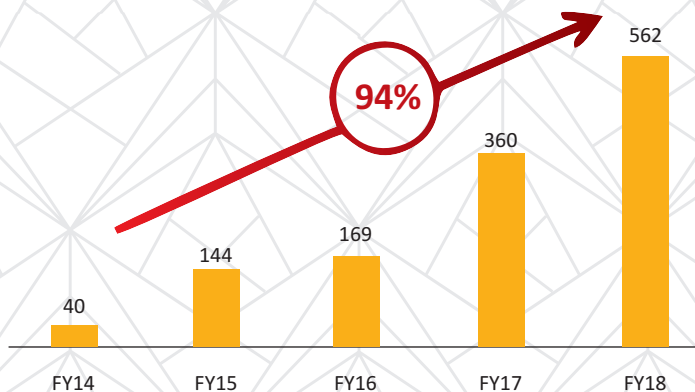
Revenue Composition %



■ Broking & operating income
■ Asset management fees
■ Housing Finance
■ Fund based businesses
■ Investment banking fees
■ Others

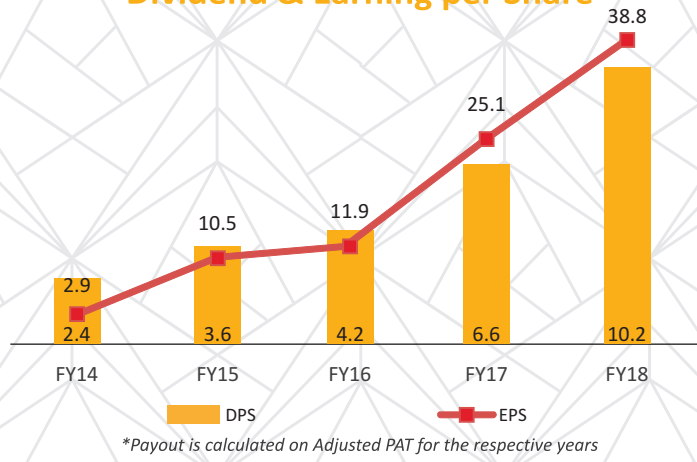
*Prior figures have been regrouped wherever necessary *Figures may not always sum to 100% due to rounding

PAT (₹ Crore); & 5-Year CAGR

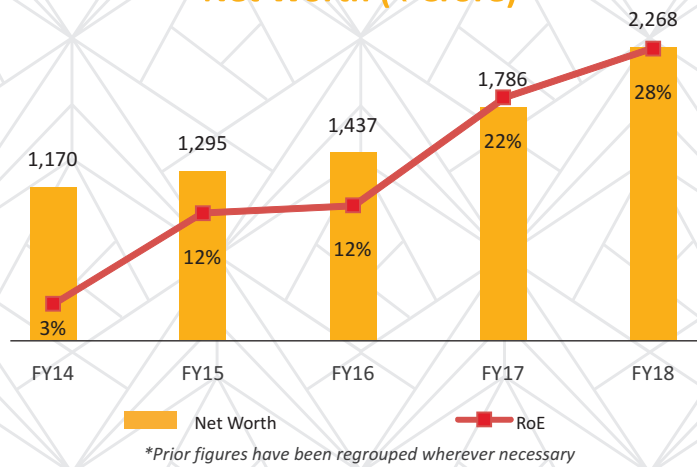


*Prior figures have been regrouped wherever necessary

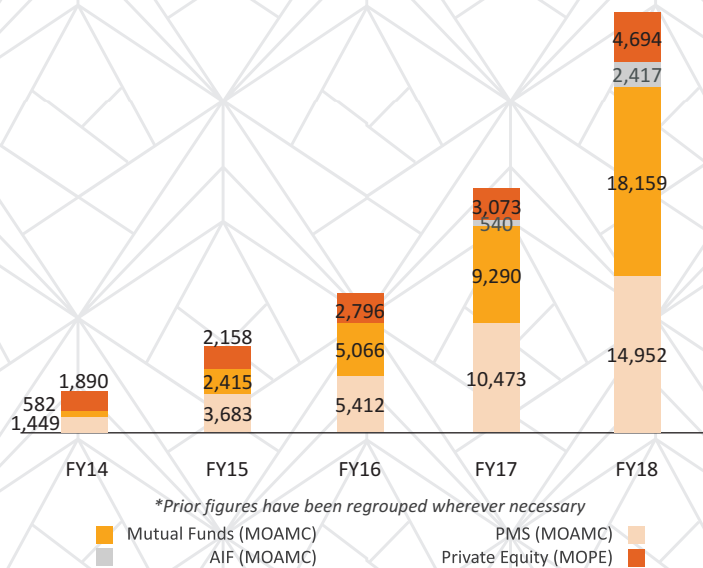
Dividend & Earning per Share



Net Worth (₹ Crore)



Assets under Management Advice (₹ Crore)



BUSINESS SNAPSHOT

Broking & Distribution

- Over 950,000 retail broking and distribution clients; Added 1,40,000+ retail clients in FY2018 vs. 60,000+ in FY2017
- Distribution reach spread across 2000+ business locations; Depository assets at ₹ 60,691 crores, up 35% YoY
- Financial product distribution AUM was ₹ 7,530 crores, up 71% YoY; net sales was ₹ 3,022 crores, up 90% YoY
- Online comprised ~46% of retail volumes

Institutional Equities

- Consistently won high ranks in prestigious award forums like Asiamoney
- Highest number of empanelments done during a year
- Blocks contributed a higher share in volumes and revenues
- Annual Global Investor Conference is one of the largest format-events in this segment; The 2017 event saw participation from 150+ companies and 1000+ global and domestic investors

Investment Banking

- FY18 has been a milestone year, where we have worked with marquee large-caps companies.
- Completed 15 ECM transactions in the year - best ever performance in terms of number of deals and value of transactions
- Robust deal pipeline in M&A advisory
-

Asset Management

- AMC AUM was ₹ 35,640 crores, up 76% YoY; net sales was ₹ 12,842 crores, up 125% YoY
- Within this, mutual fund AUM was up 95% YoY to ₹ 18,159 crores; PMS AUM was up 43% YoY to ₹ 14,952 crores; AIF AUM was ₹ 2,417 crores, up 348% YoY
- In Equity MF AUM our market share improved to 2% from 1.5% in FY17 and in Equity MF Net sales our market share improved to 2.9% in FY18 from 2.3% in FY17.
- High net yield of ~1% earned in this business
- Improved our equity AUM ranking from #18 in Mar 2014 to #9 in Mar 2018
- QGLP investing philosophy continued to deliver on performance this year
- Seeing initial interest in our offshore product

Private Equity

- PE AUA was ₹ 4,694 crores, across the three growth capital funds and three real estate funds
- Growth capital business has demonstrated profitability and real estate business has shown significant scalability
- India Business Excellence Fund I has delivered portfolio IRR of 27.7%. Till date, 3.3x MoC has been returned for INR and 2.2x for USD investors
- India Business Excellence Fund II raised AUM of ~₹ 954 crores, and has committed 100% across 11 companies so far
- India Business Excellence Fund III raised AUM of ~₹ 1,470 crores, and has deployed ~₹ 3,900 across 2 companies so far
- India Realty Excellence Fund I has returned ~118% of capital to its investors following full from all projects till date
- India Realty Excellence Fund II raised assets of ~₹ 489 crores committed across 14 deals, and has returned ~81% of capital so far
- India Realty Excellence Fund III has raised commitments of ~₹ 880 crores so far, of which ~56% is deployed in 13 investments

Wealth Management

- Wealth management AUM was ₹ 14,173 crores, up 46% YoY; net sales was ₹ 2,660 crores, up 50% YoY
- Earned a high net yield of ~0.8% in this business, given the higher proportion of equity and real estate in the AUM mix
- Highest number of RMs (40 RMs added) added during the year.
- Client families increased by 43% YoY

Housing Finance

- HFC loan book was ₹ 4,863 crores across ~57,800 families, as compared to ₹ 4,141 crores across ~46,142 families last year
- Disbursements were ₹ 1,432 crores in FY18
- Strengthened Credit, Collection and operation
- Significant investments made into digital initiatives; expected to cover a large portion of our transactions from FY2019
- Cumulative capital infusion from the sponsor was ₹ 650 crores; the debt-equity ratio was 4.9x

*All data as of Mar 2018

5 YEARS PERFORMANCE HIGHLIGHTS

CONSOLIDATED FINANCIAL PERFORMANCE OF MOTILAL OSWAL FINANCIAL SERVICES LIMITED

(₹ in Lacs)

Year Ended March 31	2014	2015	2016	2017	2018*
Total Income	46,812	77,273	108,064	192,362	276,968
Total Expenditure	35,306	57,713	85,611	139,012	200,309
Profit before Exceptional Item and Tax	11,506	19,559	22,454	53,350	76,659
Exceptional Item	-5,559	0	0	-2,788	0
Profit Before Tax	5,948	19,559	22,454	50,562	76,659
Tax Expenses	1,792	5,233	6,122	14,109	20,433
Profit after Tax before Minority Interests	4,155	14,327	16,332	36,453	56,226
Minority Interests Profit	205	190	255	1,060	978
Share of Profit from associates	0	221	831	604	906
Profit after Tax & Minority Interests	3,950	14,358	16,908	35,997	56,154
Paid up Equity Capital	1,382	1,402	1,422	1,445	1,451
Net Worth	117,029	129,485	143,651	178,603	225,403
Book Value Per Share (Rs)	85	92	101	124	155
Basic EPS (Rs)	2.95	10.34	11.94	25.14	38.80
Diluted EPS (Rs)	2.95	10.10	11.74	24.79	38.19
EBIDTA Margin %	30%	33%	41%	53%	47%
PAT Margin %	8%	19%	15%	19%	20%
RoE (%)	3.3%	11.7%	12.4%	22.3%	27.8%
RoA (%)	3.3%	8.7%	5.5%	6.6%	7.7%
Debt to Equity (x)	0.0	0.6	1.8	2.8	2.4
Dividend payout (%)	36%	34%	35%	26%	26%
AMC AUM (Rs Cr)	2030	6,098	10,478	20,303	35,640
WM AUM (Rs Cr)	2020	4,235	6,443	10,100	14,713
Distribution AUM (Rs Cr)	816	1,456	1,778	4,393	7,466
Aspire Loan Book (Rs Cr)	-	357	2,094	4,165	4,863

* The data for March 31, 2018 is of amalgamated entity i.e. post amalgamation of Motilal Oswal Securities Limited with the Company effective from August 21, 2018



Financial Statements

BOARD'S REPORT

Dear Members,

The Directors of your Company have the pleasure in presenting the Thirteenth Board's Report together with the Audited Financial Statements for the financial year ended March 31, 2018.

Financial Results

The summary of the Company's financial performance, both on a consolidated and standalone basis, for the Financial Year ("FY") 2017-18 as compared to the previous FY 2016-17 is given below:

Particulars	(₹ in Lakhs)			
	Consolidated		Standalone	
	2017-18#	2016-17#	2017-18#	2016-17#
Total Revenue	2,76,968	1,92,362	1,27,274	13,265
Profit before Interest, Depreciation, Taxation and exceptional items	1,29,967	1,00,860	52,828	12,539
Interest	49,559	44,226	9,288	488
Depreciation	3,749	3,284	2,942	692
Profit before Taxation and exceptional items	76,659	53,350	40,598	11,359
Add/(Less): Exceptional Items	–	(2,788)	–	(2,788)
Profit before taxation	76,659	50,562	40,598	8,571
Add/(Less) : Provision for Taxation				
Current Tax	(20,278)	(13,611)	8,278	663
Deferred Tax	(212)	(3,097)	(817)	355
Minimum Alternate Tax	(138)	1,458	530	(791)
Less : Tax for earlier year (s)	195	1,141	267	(286)
Tax Expenses	20,433	14,109	8,258	(59)
Profit after Taxation	56,154	35,997	32,340	8,630
Add: Balance brought forward from previous year	1,05,107	77,616	90,580	4,334
Profit Available for appropriation	1,61,261	1,13,613	1,22,920	12,964
Less: Appropriations				
Transfer to Statutory Reserve	(3,879)	(3,368)	(2,594)	(1,726)
Interim Dividend/ Proposed dividend	(10,129)	(3,588)	(10,129)	(3,588)
Dividend Distribution Tax	(966)	(730)	(966)	(730)
Credit of Dividend Distribution Tax				
Balance of Profit carried forward	1,45,728	1,05,107	1,09,231	6,920

The figures for FY 2016-17 are of the standalone entity whereas the figures for FY 2017-18 are updated after giving effect to 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") pursuant to approval provided by the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") vide its Order dated July 30, 2018. The Scheme is made effective from August 21, 2018. The appointed date is April 01, 2017. For details, refer Notes to Financial Statements forming part of this Annual Report.

Financial Performance

Standalone

The standalone performance is not presented since the comparison of performance of FY 2016-17 vis-à-vis FY 2017-18 is not feasible due to 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.

Consolidated

The consolidated revenues for the year were ₹ 2,770 Crores for the year FY 2017-18 under review, an increase of 43% as compared to the previous year.

- Broking revenues increased by 47% YoY to ₹ 777 Crores. Average daily volumes in the equity markets were ₹ 6.79 Lakh Crores in FY2018, up 67% from last year. Cash market volumes were up 38% YoY to ₹ 32,976 Crores. Within cash, delivery was up 26% YoY to ₹ 9,646 Crores. Derivative volumes were up 69% YoY to ₹ 6.46 Lakh Crores. Within derivatives, futures rose up 28% YoY to ₹ 79,855 Crores. This year, options were up 77% YoY to ₹ 5.66 Lakh Crores. Amongst cash market participants, prop registered a growth of 47% YoY while retail was up 41% YoY. Domestic Institutional Investors (“DII”) cash volumes increased 51% YoY, led by renewed interest in equity mutual funds from retail/HNI investors. The proportion of retail within cash volumes increased from 55.27% to 55.4% YoY while that of DII increased from 9.25% to 10.3% YoY. Our overall equity market share maintained at 2%. 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 March 31, 2018, our client base included more than 10,50,000 retail broking and distribution clients and 675 institutions. Our Pan-India distribution reach stood at 2,200+ business locations across 588 cities. Our depository assets was ₹ 60,710 Crores, up 35% YoY, and distribution AUM was ₹ 7,530 Crores, up 71% YoY.
- Investment banking fee saw a 30% growth over the previous year, to ₹ 113.5 Crores. The IPO & QIP transactions gathered significant momentum this year. FY2018 saw the business clock it's all time high revenues since inception.
- Asset management fees also saw significant traction, increasing 87% YoY to ₹ 696 Crores, as compared to last year. Total assets under management/advice across mutual funds, PMS and private equity businesses was ₹ 40,334 Crores, up 72% YoY. Within this, the mutual fund AUM was ₹ 18,159 Crores, PMS AUM was ₹ 14,952 Crores, AIF AUM was ₹ 2,417 Crores and private equity AUM was ₹ 4,694 Crores. The company saw increased mobilization into its open-end equity mutual fund products and PMS products. In the private equity business, the 3rd private equity fund – India Business Excellence Fund III, launched during the year with target size of ₹ 2,000 Crores.
- Housing finance related income increased by 34% to ₹ 651 Crores as the business gained traction this year in terms of clients, network, banking lines and loan book. HFC loan book was ₹ 4,863 Crores, as compared to ₹ 4,141 Crores last year.
- Fund based income increased by 69% to ₹ 182 Crores. In line with the long term strategy to grow Return on Equity sustainably, the Company 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 Motilal Oswal Group (“MO 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 the Company made sponsor commitments.

Total expenses (before interest and depreciation) for the year at ₹ 1,470 Crores registered a 61% jump over previous year. People cost increased by 42% to ₹ 500 Crores. Operating expenses increased by 63% to ₹ 600 Crores. Other costs were ₹ 370 Crores, an increase of 91% over previous year. The profit before depreciation, interest, exceptional items and taxation (EBITDA) increased by 29% to ₹ 1,300 Crores.

Reported net profit for the year after minority interest stood at ₹ 561.50 Crores, an increase of 56%.

MO Group's commitments to our own mutual fund products stood at ₹ 956 Crores, as of March 31, 2018. The unrealized gain on these investments is ₹ 376 Crores, as of March 31, 2018. The same is not reflected in the profit and loss account for the year. MO Group's commitments to our alternative investment products stood at ₹ 269 Crores, as of March, 2018.

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

Appropriations

The Company proposes to transfer ₹ 2,954 Lakhs (Previous year ₹ 1,726 Lakhs) to Special Reserves created u/s 45-IC of the Reserve Bank of India Act, 1934.

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 built scale during FY2018, while maintaining operating parameters. Our brand is now being recognized across each of our businesses. We achieved a 20%+ ROE in FY2018, and are well on course to achieve 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 Listing Regulations and applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules issued thereunder, the Consolidated Financial Statement of the Company for the FY 2017-18 have been prepared in compliance with applicable Accounting Standards and on the basis of Audited 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 this Annual Report.

Information on the State of Affairs of the Company

The Information on the State of Affairs of the Company has been given as part of Management Discussion & Analysis Report forming part of Annual Report of the Company.

Material Changes and Commitments

During the year under review, the Board of Directors of the Company at its meeting held on November 04, 2017 had approved 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").

Motilal Oswal Securities Limited ("MOSL") is the flagship company of the Motilal Oswal Group. MOSL is a member of BSE Limited, National Stock Exchange of India Limited, Multi Commodity Exchange of India Ltd. & National Commodity & Derivatives Exchange Limited and acts as a Stock Broker & 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. It is registered with SEBI in capacity of Research Analyst and Investment Advisor and with various other Authorities like AMFI, CERSAI, KRA Agencies (CVL, Dotex, NDML, CAMS, Karvy and UIDAI).

The Scheme was filed by the Company with the Hon'ble NCLT on November 29, 2017.

Pursuant to Order dated December 22, 2017 passed by Hon'ble NCLT, the Meeting of the Members of the Company was held on February 20, 2018, wherein the Scheme was approved by the Members. Further, the Members of the Company have provided their approval through Postal Ballot Process on February 19, 2018 for transferring the existing lending business of the Company to Motilal Oswal Capital Markets Limited (Erstwhile Motilal Oswal Capital Markets Private Limited) ("MOCML"), its wholly owned subsidiary, as a going concern via slump sale.

Accordingly, the entire lending business of the Company has been transferred to MOCML on August 20, 2018 by executing Business Transfer Agreement.

Pursuant to Order dated July 30, 2018, the Hon'ble NCLT has approved the Scheme. Subsequently, the Board of the Company at its meeting held on August 21, 2018 has made the Scheme effective from the said date i.e. August 21, 2018. The appointed date for the Scheme is April 1, 2017.

De-Registration as Non Banking Financial Company

The Company is registered as Non-Banking Financial Company ("NBFC") under Section 45-IA of the Reserve Bank of India Act, 1934.

However, RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for repayment of deposits/ discharge of liabilities by the Company.

Further, the Company has made an application for surrender of Certificate of Registration with Reserve Bank of India and transferred its lending business to MOCML as a going concern via slump sale. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (as amended from time to time). The Policy is appended as "Annexure 1" to this 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 24, 2018, had declared and paid an Interim Dividend of ₹ 4/- per Equity Share for the FY 2017-18, out of the profits of the Company for the third quarter and nine months ended December 31, 2017, on 14,47,20,783 Equity Shares of face value of ₹ 1/- each aggregating to ₹ 57,88,83,132/-.

BOARD'S REPORT *(Contd..)*

The Board of Directors of the Company at its meeting held on May 21, 2018 have recommended a Final Dividend of ₹ 4.50 per Equity Share of face value of ₹ 1/- each for FY 2017-18, 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 record date i.e. September 21, 2018.

Credit Rating

During the year, CRISIL Limited reaffirmed the Credit Rating of "CRISIL A1+" and India Rating & Research has assigned Credit Rating of "IND A1+" to the Commercial Paper Programme of ₹ 25,000 Lakhs of the Company.

Share Capital

During the year under review, the Company has allotted 6,26,082 Equity Shares under various Employee Stock Option Schemes of the Company.

Pursuant to the allotment of the Equity Shares, the paid up Equity Share Capital of the Company as on March 31, 2018 is ₹ 14,50,83,558/- (Rupees Fourteen Crores Fifty Lakhs Eighty Three Thousand Five Hundred and Fifty Eight Only).

Pursuant to making the Scheme effective, the Authorised Share Capital of the Company has been increased from ₹ 13,700 Lakhs divided into 87,00,00,000 Equity Shares of ₹ 1/- each and 50,00,000 Preference Shares of ₹ 100/- each to ₹ 14,900 Lakhs divided into 92,50,00,000 Equity Shares of ₹ 1/- each and 56,50,000 Preference Shares of ₹ 100/-.

Debentures

During the year under review, the Company has redeemed 500 Series C Secured Redeemable Non-Convertible Debentures ("NCDs") of ₹ 10 Lakhs each amounting to ₹ 5,000 Lakhs during the FY 2017-18. Accordingly, all the NCDs of the Company stands redeemed as on March 31, 2018.

However, 2,000 Secured Redeemable Non-Convertible Debentures of face value of ₹ 10 Lakhs each of MOSL are been transferred to the Company pursuant to the amalgamation.

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 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 shares, Investment activities, Private wealth management, Broking and distribution, Asset management business, Housing finance, Institutional equities, Private equity and Investment banking.

As of March 31, 2018, the Company had 18 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.

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 <http://www.motilaloswalgroup.com/Downloads/IR/SUBSIDIARIES.pdf>. Further, pursuant to Regulation 16(1)(c) of Listing Regulations, Motilal Oswal Asset Management Company Limited ("MOAMC") has become material subsidiary of the Company based on Consolidated Financial Statements for FY 2017-18. Accordingly, the Company has three Material subsidiaries namely Motilal Oswal Securities Limited ("MOSL"), Aspire Home Finance Corporation Limited ("AHFCL") and MOAMC as on March 31, 2018.

Investment in Subsidiaries

During the year under review, the Company and MOSL has acquired 6,03,44,826 and 5,17,24,141 equity shares of ₹ 1/- each respectively of AHFCL.

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 has been appended as “Annexure 2” to this 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 the Act, the separate audited financial statement in respect of each of the subsidiary company is also available on the website of your Company at www.motilalosalgroup.com. These documents will also be 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.

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 and Independent Directors.

The Company has 8 (Eight) Directors comprising of 1 (One) Chairman, Managing Director & Chief Executive Officer, 2 (Two) Joint Managing Directors, 1 Whole-time Director and 4 (Four) Independent Directors. The list of Directors of the Company as on March 31, 2018 has been provided in the Report on Corporate Governance forming part of this Report.

The Board of Directors at its meeting held on August 21, 2018 has subject to approval of the Members of the Company, 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.

Further, the Board at its meeting held on August 21, 2018 has appointed Mr. Ajay Menon and Ms. Rekha Shah as Additional Director of the Company w.e.f. August 21, 2018 under the provisions of Section 161 of the Act and will hold the office up to the date of the ensuing AGM of the Company. Further, the Board has subject to approval of the Members of the Company, approved the appointment of Mr. Ajay Menon as the Director of the Company w.e.f. August 21, 2018 and as Whole-time Director of the Company for the period of 5 years commencing from August 21, 2018 to August 20, 2023. The Board has subject to approval of the Members of the Company, approved the appointment of Ms. Rekha Shah as an Independent Director of the Company for the period of 5 years commencing from August 21, 2018 to August 20, 2023.

A brief profile of Mr. Navin Agarwal, Mr. Ajay Menon and Ms. Rekha Shah is provided in the Notice of the ensuing AGM of the Company.

The Shareholders are requested to consider the appointment of Mr. Navin Agarwal as Managing Director, Mr. Ajay Menon as Whole-time Director, liable to retire by rotation and Ms. Rekha Shah as an Independent Director in the ensuing AGM.

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. Motilal Oswal, Chairman & Managing Director will retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. The details of Mr. Motilal Oswal is provided in the Notice of the ensuing AGM of the Company.

The resolutions for the appointment/re-appointment of Directors as detailed in the Notice of the ensuing AGM would be placed for your approval at the ensuing AGM.

The terms and conditions of appointment of Independent Directors are also available on the website of the Company at www.motilalosalgroup.com.

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

The details of the Meetings of the Board and Statutory Committee(s) of the Company held during FY 2017-18 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, 2018 are disclosed in the Report on Corporate Governance. Further, pursuant to aforesaid changes in composition of the Board, please find below changes in composition of Statutory Committee(s) w.e.f. August 21, 2018:

BOARD'S REPORT (Contd..)

Sr. No.	Name of Committee	Name of Member	Designation	Nature of Changes (Cessation/ Appointment)
1	Audit Committee	Ms. Rekha Shah	Independent Director	Appointment
2	Nomination and Remuneration Committee ⁽¹⁾	Mr. Navin Agarwal	Managing Director	Cessation
		Mr. Praveen Tripathi	Independent Director	Appointment
3	Stakeholders Relationship Committee	Ms. Rekha Shah	Independent Director	Appointment

⁽¹⁾ The nomenclature has been changed to Nomination and Remuneration Committee ("NRC") from Nomination and Remuneration / Compensation Committee w.e.f. August 21, 2018.

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.

Disclosure on Maintenance of Cost Records

The Company engaged in Non-Banking Financial Activity during the year under review 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, 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 <http://www.motilaloswalgroup.com/Downloads/IR/16069033Familiarization-Programmes-for-Independent-Director.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.

Key Managerial Personnel

During the year under review, consequent to resignation of Mr. Sameer Kamath as Chief Financial Officer of the Company with effect from April 27, 2017, Mr. Shalibhadra Shah is appointed as Chief Financial Officer of the Company with effect from April 27, 2017. Further, consequent to resignation of Mr. Murli Krishnan Iyer as the Company Secretary & Compliance Officer of the Company with effect from September 13, 2017, Mr. Kailash Purohit is appointed as Company Secretary & Compliance Officer of the Company with effect from November 4, 2017.

As at March 31, 2018, the Company has the following Key Managerial Personnel:

- 1) Mr. Motilal Oswal – Chairman, Managing Director & Chief Executive Officer
- 2) Mr. Raamdeo Agarawal – Joint Managing Director
- 3) Mr. Shalibhadra Shah - Chief Financial Officer
- 4) 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, Key Managerial Personnel ("KMP"), Senior Management and other employees of the Company and recommend the same for approval of the Board.

Accordingly, in compliance to provisions to the aforesaid provisions, the Nomination and Remuneration Policy of the Company is available on the website of the Company at <http://motilaloswalgroup.com/Downloads/IR/756054990MOFSL-Nomination-and-Remuneration-Policy-Final.pdf>. The salient features of the Policy are given below:-

I. Appointment and Removal of Director, KMP and Senior Management

- Appointment criteria and qualifications:
 - a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

- b. 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.
- c. 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.

– Term / Tenure:

a. Managing Director/Whole-time Director/Manager (Managerial Person):

- The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b. Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment shall be made in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

– Evaluation:

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 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.

II. Provisions relating to Remuneration of Managerial Person, KMP and Senior Management

– Remuneration to Managerial Person, KMP and Senior Management:

a. 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 P.F, pension scheme, 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 Central Government, wherever required.

b. 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.

c. 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 and if it is not able to comply with such provisions, with the prior approval of the Central Government. 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 the prior sanction of the Central Government, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

– Remuneration to Non-Executive/Independent Director:

a. Remuneration / Commission:

The remuneration/commission, if any, shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

b. 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 by the Central Government from time to time.

c. Limit of Remuneration/Commission:

Remuneration/Commission may be paid 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 Companies Act, 2013.

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. The Directors expressed their satisfaction with the evaluation process. The manner in which the evaluation has been carried out has been explained in the Report on Corporate Governance annexed to this Report.

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, performance of the Board as a whole 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 followed by the meeting of Independent Directors, at which the performance of the Board, its Committee(s) 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, are forming part of this report and has been appended as "Annexure 3" to this 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 financial year end, 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 Business Responsibility Report 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 at their Twelfth AGM held on July 27, 2017, had appointed M/s. Walker Chandiook & 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 subject to ratification of appointment by Members in every subsequent AGM of the Company.

However, the said requirement is dispensed with according to related provision of Companies Amendment Act, 2017 becoming effective and accordingly, the appointment of Auditors is not to be ratified by the Members in the AGM and hence M/s. Walker Chandiook & Co. LLP, Chartered Accountants, will continue to remain the Statutory Auditors of the Company till the Seventeenth AGM of the Company without further ratification by the Members.

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

Statutory Auditors' Report

The Statutory Auditors' Report for the year under review does not contain any qualification. 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.

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 2017-18.

The Secretarial Audit Report is appended as "Annexure 4" to this Annual Report.

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

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

Considering the Company's Non-Banking Financial activities 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. 44 to the Financial Statements.

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.

BOARD'S REPORT (Contd..)

Subsequently, the Company has transferred 2,309 Equity Shares to IEPF during the year under review. The details of such shares are available on the website of the Company at http://www.motilaloswalgroup.com/Downloads/IR/10447015List-of-shareholders-In-Respect-of-Unclaimed-Dividend_2009-10.pdf. 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 Company reports the following details in respect of unclaimed Equity Shares that are kept in Specific Demat Accounts.

Particulars	No. of Shareholders	No. of Equity shares
Aggregate Number of Shareholders and the outstanding shares in the suspense account lying as on April 1, 2017	6	615
Number of Shareholders who approached the Company for transfer of shares from suspense account during the year	1	40
Number of Shareholders to whom shares were transferred from the suspense account during the year	1	40
Aggregate Number of Shareholders and the outstanding shares in the suspense account lying as on March 31, 2018	5	575

Depository System

The Equity Shares of the Company are compulsorily tradable in electronic form. As on March 31, 2018, out of the Company's total paid-up Equity Share Capital comprising of 14,50,83,558 Equity Shares, only 53,336 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, 2018 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 available on the website of the Company at http://www.motilaloswalgroup.com/Downloads/IR/1062112783Vigil_Mechanism_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 Corporate Governance Report forming part of 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) has been appended as "Annexure 5" to this 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.

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 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 http://www.motilaloswalgroup.com/Downloads/IR/96263605RPT_Policy.pdf

All related party transactions entered into during the FY 2017-18 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 and accordingly Form AOC-2 is not applicable.

The Directors draw attention of the Members to Note No. 50 to the Financial Statements which sets out related party disclosures.

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 Work Place. Appropriate reporting mechanisms are in place for ensuring protection against Sexual Harassment and the right to work with dignity.

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 Section 134(3) (a) of the Act has been amended vide notification of Section 36 of the Companies (Amendment), 2017 with effective from July 31, 2018 by the Ministry of Corporate Affairs ("MCA") which requires company to provide "the web address, if any, where annual return referred to in Section 92(3) has been placed". Further, as the amendment to Section 92(3) of the Act vide provisions of Section 23 of the Companies (Amendment), 2017 is not yet notified by the MCA as on date of this Report, 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 this Annual Report.

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.

Further, no penalties have been levied by the RBI/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 as on March 31, 2018.

Other Disclosures

During the year under review, the Company has not obtained any registration / license / authorisation, by whatever name called from any other financial sector regulators.

However, the Company has voluntarily surrendered its Certificate of Registration issued by Reserve Bank of India.

Further, the Company is in the process of making application with various financial sectors regulators for carrying out the Broking business. In interim, pursuant to the provisions of the Scheme, the Company is carrying the business in the name and style in which Motilal Oswal Securities Limited was undertaking its business.

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, 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 : August 21, 2018

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 1, 2015.

Subsequently, SEBI has issued the SEBI (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.

2.1 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 and 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 and 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 and 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 : August 21, 2018

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	11,350	8,723	30%	8,447	5,544	52%	6,035	3,720	62%
2	MOPE Investment Advisors Private Limited	9,975	8,017	24%	6,352	6,224	2%	5,110	5,046	1%
3	Motilal Oswal Commodities Broker Private Limited	1,998	1,756	14%	490	344	43%	379	196	94%
4	Motilal Oswal Fincap Private Limited	14	90	-85%	(75)	(12)	546%	(75)	(41)	84%
5	Motilal Oswal Capital Markets Limited	46	418	-89%	31	208	-85%	22	145	-85%
6	Motilal Oswal Asset Management Company Limited	66,835	34,135	96%	19,079	7,589	151%	13,147	4,976	164%
7	Motilal Oswal Trustee Company Limited	7	10	-27%	0	5	-95%	0	3	-99%
8	Motilal Oswal Wealth Management Limited	10,585	7,205	47%	4,090	2,053	99%	3,098	1,323	134%
9	Motilal Oswal Securities International Private Limited	221	189	17%	29	(7)	-489%	21	(16)	-228%
10	Aspire Home Finance Corporation Limited	66,246	57,078	16%	4,857	12,567	-61%	3,148	8,209	-62%
11	Motilal Oswal Real Estate Investment Advisors Private Limited	0	0	-11%	(11)	(24)	-53%	(11)	(24)	-53%
12	Motilal Oswal Real Estate Investment Advisors II Private Limited	2,110	1,811	16%	725	340	114%	524	226	132%
13	Motilal Oswal Capital Limited	20	0	202997%	5	(1)	-465%	4	(1)	-463%
	COMPANIES INCORPORATED OUTSIDE INDIA									
1	Motilal Oswal Capital Markets (Hong Kong) Private Limited	175	0	12064351%	34	(88)	-139%	34	(88)	-139%
2	Motilal Oswal Capital Markets (Singapore) Private Limited	244	181	35%	32	24	35%	31	26	21%
3	Motilal Oswal Asset Management (Mauritius) Private Limited	207	5	3879%	52	(67)	-178%	50	(67)	-175%
4	Indian Business Excellence Management Company	8,687	1,121	675%	5,418	5,505	-2%	5,395	5,485	-2%

NOTE: The financial performance of Motilal Oswal Securities Limited is not included since though it was subsidiary of the Company as on March 31, 2018, it has been now Amalgamated with the Company w.e.f. August 21, 2018.

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

Motilal Oswal
Chairman and Managing Director
(DIN: 00024503)

Place : Mumbai
Date : August 21, 2018

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 Financial Year ("FY") 2017-18, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director and Company Secretary during the FY 2017-18.

Sr. No	Name of Director/KMP	Designation	Ratio of Remuneration of each Director to median remuneration of Employees	Percentage Increase in Remuneration
1.	Mr. Motilal Oswal	Managing Director and Chief Executive Officer	24:1	0.11% ⁽¹⁾
2.	Mr. Raamdeo Agarawal	Joint Managing Director	24:1	1.04% ⁽¹⁾
3.	Mr. Vivek Paranjpe	Independent Director	0.50:1 ⁽²⁾	25% ⁽²⁾
4.	Mr. Praveen Tripathi	Independent Director		
5.	Ms. Sharda Agarwal	Independent Director		
6.	Mr. Shalibhadra Shah ⁽³⁾	Chief Financial Officer	NA	–
7.	Mr. Kailash Purohit ⁽³⁾	Company Secretary and Compliance Officer	NA	–

⁽¹⁾ The percentage increase in remuneration is due to increase in perquisite value as compared to previous financial year.

⁽²⁾ The percentage increase in remuneration is due to increase in commission amount of ₹ 5 Lakhs p.a. paid to Independent Directors as compared to ₹ 4 Lakhs p.a. paid in previous financial year. Further, sitting fees is not forming part of remuneration in aforesaid calculation.

⁽³⁾ Mr. Shalibhadra Shah was appointed as Chief Financial Officer on April 27, 2017 and Mr. Kailash Purohit was appointed as Company Secretary and Compliance Officer on November 4, 2017 and hence, it is not feasible to calculate the % increase in their managerial remuneration.

Note:-

- The Non-Executive Directors of the Company are entitled for sitting fee 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 Report.
 - Mr. Sameer Kamath ceased to be Chief Financial Officer of the Company w.e.f. April 27, 2017 and Mr. Murli Krishnan Iyer ceased to be the Company Secretary of the Company w.e.f. September 13, 2017
- (ii) The percentage increase in the median remuneration of employees for the financial year under review was 20.67%.
- (iii) The Company has 16 permanent employees on the rolls of Company as on March 31, 2018;
- (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	18%
Managerial Personnel	Mr. Motilal Oswal – 0.11%
	Mr. Raamdeo Agarawal – 1.04%

Note: The percentage increase in remuneration is due to increase in the perquisite value.

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 : August 21, 2018

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 of Managerial Personnel) Rules, 2014]

For the Financial Year Ended March 31, 2018

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/Company")**. 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, 2018 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, 2018 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, 1992 / SEBI (Prohibition of Insider Trading) Regulations, 2015.
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable during the audit period)**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/ The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 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 (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the audit period)**
- (vi) I have relied on the representation made by the Company and its officer for systems and mechanisms formed by the Company for compliance the following specific applicable laws.
 - 1) The Reserve Bank of India Act, 1934, Directions, Circulars & Notifications issued by RBI and applicable to Systemically Important – Non Deposit Accepting -Non Banking Finance Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

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

- (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 and 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. Further there were no changes in the composition of the Board of Directors that took place during the period under review.

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) Approval of 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.
- 2) Transfer of lending business of the Company by way of slump sale as 'going concern' to a wholly owned subsidiary of the Company.

**FOR U. HEGDE & ASSOCIATES,
Company Secretaries**

Date: August 21, 2018
Place: Mumbai

**UMASHANKAR K. HEGDE
(Proprietor)
COP No. 11161 / M.No. A22133**

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 Corporate Governance Report.

3) Average Net Profit of the Company for the last three financial years is ₹ 34,59,02,950/-

4) Prescribed CSR expenditure and details of CSR spend:

Particulars	Amount (₹)
Prescribed CSR expenditure	69,18,059
Amount spent as CSR*	3,76,37,662
Amount unspent	–

* Pursuant to the Amalgamation of Motilal Oswal Securities Limited ("MOSL") with the Company, the CSR expenditure of ₹ 2,93,35,991/- spent by MOSL is also clubbed with aforesaid expenditure.

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
Seva Sahayog	School development project	Maharashtra	10,96,500	10,96,500	10,96,500	Partially Directly and partially through M/s. Motilal Oswal Foundation ("MOF")
Pratibha Shikshan Prasarak Mandal	Donation given for education purpose for tribal unprivileged children	Maharashtra	4,06,800	4,06,800	4,06,800	Partially Directly and partially through MOF
Shraman Arogyam	Medical Treatment for Sadhu & Sadhvi	Mumbai	67,43,631	67,43,631	67,43,631	MOF
Bharat Ke Veer	Donation to support Soldiers initiative to help families of martyred soldiers by facilitating crowd funding for their survival	Mumbai	23,42,352	23,42,352	23,42,352	MOF

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

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
Kalinga Institute Of Social Sciences	Education	Bhubaneswar	1,18,93,074	1,18,93,074	1,33,35,074	MOF
JITO Administrative Training Foundation	SEED Education	Maharashtra	17,89,803	17,89,803	32,89,803	MOF
Kherwadi Social Welfare Association Foundation	Donation for vocational education	Maharashtra	1,70,500	1,70,500	1,70,500	Directly
Jain International Trade Organisation - Kota Hostel	Subsidy to 5 students who would be availing the Kota hostel facility and coaching.	Kota	5,00,000	5,00,000	5,00,000	Directly
Isha Foundation	Education for under privileged Rural Children	Maharashtra	12,00,000	12,00,000	18,00,000	Directly
Rajasthan Vidyarthi Griha	Education for CA Students	Maharashtra	5,00,000	5,00,000	5,00,000	MOF
Sri Sri Ravishankar	Educational programs in the urban, slums and selected tribal belt.	Bangalore	10,00,000	10,00,000	10,00,000	Directly
C M C Vellore Association	Medical (Cancer) Treatment	Tamil Nadu	5,00,000	5,00,000	5,00,000	MOF
Adhayan Sanstha	Educational related project in schools	Maharashtra	10,00,000	10,00,000	10,00,000	Directly
Iskcon Food Relief Foundation	Mid-day meal project	Maharashtra	22,00,000	22,00,000	22,00,000	Directly
Jain International Trade Organisation – Ahmedabad Chapter	Donation for natural calamities of floods in North Gujarat area due to heavy rains	Ahmedabad	5,00,000	5,00,000	5,00,000	MOF
Yuvak Pratishthan	Towards Donation for “Shravan Yantra Hearing Aids” for Varishtha Nagarik i.e. Senior Citizen and provide help to the needy, poor & BPL senior citizen in Mumbai	Maharashtra	2,00,000	2,00,000	2,00,000	Directly
Disha Counseling Center	Education	Maharashtra	1,03,502	1,03,502	1,03,502	MOF
Marudhar Mahila Shikshan Sangh	Educational Institution for girls	Maharashtra	2,00,000	2,00,000	2,00,000	Directly

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

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
Prasad Krishna Sawant	Medical Treatment	Maharashtra	1,10,500	1,10,500	1,10,500	MOF
Epilepsy Foundation	Medical Treatment for people suffering from epilepsy	Maharashtra	11,00,000	11,00,000	11,00,000	Directly
Jain International Trade Organisation – Kolkata Chapter	Subsidy offered to 5 students who would be availing the hostel facility and coaching.	Maharashtra	2,50,000	2,50,000	2,50,000	Directly
Rajasthan Educational Foundation	Donation for School library hall	Tamil Nadu	15,00,000	15,00,000	15,00,000	MOF
GSS Padru School	Donation for providing educational facility	Rajasthan	5,00,000	5,00,000	5,00,000	MOF
Friends of Tribals Society	Empowerment of Tribals and Rural people to make them socially strong, educationally aware, economically vibrant and self-reliant	Maharashtra	1,00,000	1,00,000	1,00,000	Directly
Jai Vakeel Foundation & Research Center	Overall development of children with special needs	Maharashtra	1,10,000	1,10,000	1,10,000	Directly
Rajesh Jain	Medical Treatment	Maharashtra	1,00,000	1,00,000	1,00,000	MOF
Shri Gaushala Pilani	Welfare of animals	Maharashtra	21,000	21,000	21,000	MOF
Vision Eye Foundation	Donation to cater to the need of low income groups of people, especially slum dwellers.	Maharashtra	15,00,000	15,00,000	15,00,000	Directly
Total			3,76,37,662	3,76,37,662		

⁽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)

ANNEXURE 6 TO THE BOARD'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2018

[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 3980 4200 / +91 22 7193 4200 Fax: +91 22 3846 2365 Email: shareholders@motilaloswal.com
vi) Whether listed company	Yes
vii) Name, Address & contact details of the Registrar and Transfer Agent, if any.	M/s. Link Intime India Private Limited C-101, 247 Park, L. B. S Marg, Vikhroli West, Mumbai - 400083, Maharashtra. 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	Investment Income	6492	18.06%
2	Interest Income	6492	67.82%

Note: The description is provided considering the Company as Non Banking Financial Company as on March 31, 2018

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 Company	53.58	2(46)
2.	Motilal Oswal Securities Limited (MOSL) ⁽¹⁾ Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U65990MH1994PLC079418	Subsidiary Company	100	2(87)
3.	Motilal Oswal Investment Advisors Limited (MOIAL) Motilal Oswal Tower, 10th Floor, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U67190MH2006PLC160583	Subsidiary Company	100	2(87)
4.	MOPE Investment Advisors Private Limited (MOPE) Motilal Oswal Tower, 12th Floor, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U67110MH2006PTC161128	Subsidiary	85	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
5.	Motilal Oswal Commodities Broker Private Limited (MOCBPL) Motilal Oswal Tower, 6th Floor, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U65990MH1991PTC060928	Subsidiary	100	2(87)
6.	Motilal Oswal Fincap Private Limited (Erstwhile Motilal Oswal Insurance Brokers Private Limited (MOFPL)) ⁽²⁾ Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U65100MH2007PTC170211	Subsidiary	100	2(87)
7.	Motilal Oswal Capital Markets Limited (MOCML) (Erstwhile Motilal Oswal Capital Markets Private Limited) ⁽³⁾ Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U65100MH2006PLC165469	Subsidiary	100	2(87)
8.	Motilal Oswal Asset Management Company Limited (MOAMC) Motilal Oswal Tower, 10th Floor, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U67120MH2008PLC188186	Subsidiary	99.92	2(87)
9.	Motilal Oswal Trustee Company Limited (MOTC) Motilal Oswal Tower, 10th Floor, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U93090MH2008PLC188187	Subsidiary	100	2(87)
10.	Motilal Oswal Wealth Management Limited (MOWML) Motilal Oswal Tower, 6th Floor, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U67110MH2002PLC135075	Subsidiary	100	2(87)
11.	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)
12.	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)
13.	Motilal Oswal Capital Markets (Singapore) Pte. Limited (MOCMPL(SP)) 80 Raffles Place #32- 01 UOB Plaza Singapore (048624)	201129401Z	Subsidiary	100	2(87)
14.	Aspire Home Finance Corporation Limited Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U65923MH2013PLC248741	Subsidiary	96.59	2(87)
15.	Motilal Oswal Real Estate Investment Advisors Private Limited (MORE) Motilal Oswal Tower, 12th Floor, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U74999MH2013PTC248200	Subsidiary	85	2(87)
16.	Motilal Oswal Real Estate Investment Advisors II Private Limited (MORE II) Motilal Oswal Tower, 12th Floor, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U67190MH2014PTC253958	Subsidiary	76.5	2(87)
17.	India Business Excellence Management Company IFS Court, Bank Street, Twenty Eight Cyber City, Ebene 72201, Mauritius.	65644C1/GBL	Subsidiary	85	2(87)
18.	Motilal Oswal Asset Management (Mauritius) Private Limited 4th Floor, Raffles Tower, 19 Cybercity, Ebene, Mauritius	127396C1/GBL	Subsidiary	99.92	2(87)
19.	Motilal Oswal Capital Limited Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U65100MH2016PLC285990	Subsidiary	99.92	2(87)

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

- (1) 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
- (2) The name of Motilal Oswal Insurance Brokers Private Limited has been changed to Motilal Oswal Fincap Private Limited with effect from January 9, 2018.
- (3) Motilal Oswal Capital Markets Private Limited has been converted to a Public Limited Company with effect from May 4, 2018.

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, 2017)				Shareholding at the end of the year (As on March 31, 2018)				% 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	2,38,37,576	0	2,38,37,576	16.50	2,28,94,738	0	2,28,94,738	15.78	-0.72
(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)									
Persons Acting In Concert	17,31,730	0	17,31,730	1.20	17,22,230	0	17,22,230	1.19	-0.01
Bodies Corporate	7,67,94,394	0	7,67,94,394	53.16	7,77,36,132	0	7,77,36,132	53.58	0.42
Sub Total (A)(1)	10,23,63,700	0	10,23,63,700	70.86	10,23,53,100	0	10,23,53,100	70.85	-0.01
[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)									
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)	10,23,63,700	0	10,23,63,700	70.86	10,23,53,100	0	10,23,53,100	70.85	-0.01
(B) Public Shareholding									
[1] Institutions									
(a) Mutual Funds / UTI	21,79,624	0	21,79,624	1.50	3,62,516	0	3,62,516	0.25	-1.26
(b) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c) Alternate Investment Funds	0	0	0	0.00	1,24,599	0	1,24,599	0.09	0.09
(d) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e) Foreign Portfolio Investor	1,80,32,258	0	1,80,32,258	12.48	2,21,27,468	0	2,21,27,468	15.25	2.77
(f) Financial Institutions / Banks	40,424	0	40,424	0.03	20,977	0	20,977	0.01	-0.01
(g) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00

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

Category of Shareholders	Shareholding at the beginning of the year (As on April 1, 2017)				Shareholding at the end of the year (As on March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(h) Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Any Other (Specify)									
Sub Total (B)(1)	2,02,52,306	0	2,02,52,306	14.20	2,26,35,560	0	2,26,35,560	15.67	1.65
[2] Central Government/ State Government(s)/ President of India									
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.	59,31,842	53,110	59,84,952	4.14	68,03,115	55,836	68,58,951	4.73	0.58
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	53,08,416	0	53,08,416	3.67	39,54,322	0	39,54,322	2.73	-0.95
(b) NBFCs registered with RBI	0	0	0	0.00	0	0	0	0.00	0.00
(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)									
IEPF	0	0	0	0.00	2,309	0	2,309	0.00	0.00
Trusts	1,500	0	1,500	0.00	1,702	0	1,702	0.00	0.00
Hindu Undivided Family	2,03,106	0	2,03,106	0.14	2,56,313	0	2,56,313	0.18	0.04
Non Resident Indians (Non Repat)	1,01,930	0	1,01,930	0.07	92,130	0	92,130	0.06	-0.00
Other Directors	78,04,010	0	78,04,010	5.40	70,04,010	0	70,04,010	4.83	-0.57
Non Resident Indians (Repat)	6,80,095	0	6,80,095	0.47	6,37,938	0	6,37,938	0.44	-0.03
Clearing Member	2,10,381	0	2,10,381	0.15	2,41,706	0	2,41,706	0.17	0.02
Bodies Corporate	15,47,080	0	15,47,080	1.07	10,45,517	0	10,45,517	0.72	-0.35
Sub Total (B)(3)	2,17,88,360	53,110	2,18,41,470	15.12	2,00,39,062	55,836	2,00,94,898	13.91	-1.20
Total Public Shareholding (B)=(B)(1)+(B)(2)+ (B)(3)	4,20,40,666	53,110	4,20,93,776	29.14	4,26,74,622	55,836	4,27,30,458	29.58	0.44
Total (A)+(B)	14,44,04,366	53,110	14,44,57,476	100.00	14,50,27,722	55,836	14,50,83,558	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)	14,44,04,366	53,110	14,44,57,476	100.00	14,50,27,722	55,836	14,50,83,558	100.00	

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, 2017)			Shareholding at the end of the year – (As on March 31, 2018)			
		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	% change in shareholding during the year
1	Passionate Investment Management Pvt. Ltd - Proprietary Account	7,67,92,394	53.16	0.00	7,77,34,132	53.58	0.00	0.42
2	Motilal Gopilal Oswal	1,21,10,476	8.38	0.00	1,16,39,607	8.02	0.00	-0.36
3	Raamdeo Ramgopal Agarawal	1,17,27,100	8.12	0.00	1,12,55,131	7.76	0.00	-0.36
4	Raamdeo Ramgopal Agarawal-HUF	6,50,000	0.45	0.00	6,50,000	0.45	0.00	-0.00
5	Suneeta Raamdeo Agarawal	2,95,400	0.2	0.00	2,95,400	0.20	0.00	-0.00
6	Vimla Motilal Oswal	1,25,240	0.09	0.00	1,25,240	0.09	0.00	-0.00
7	Karoon Ramgopal Agarawal	1,00,000	0.07	0.00	1,00,000	0.07	0.00	-0.00
8	Suman Agrawal	1,00,000	0.07	0.00	1,00,000	0.07	0.00	-0.00
9	Vinay Agrawal	1,00,000	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	79,000	0.05	0.01	-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	11,000	0.01	0.00	1,500	0.00	0.00	-0.00
16	Osag Enterprises LLP	2,000	0	0.00	2,000	0.00	0.00	0.00
17	Motilal Gopilal Oswal-HUF	120	0	0.00	120	0.00	0.00	0.00
	Total	10,23,63,700	70.86	0.01	10,23,53,100	70.55	0.01	-0.31

iii) Change in Promoters' Shareholding

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – April 1, 2017		Transactions during the year		Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018)	
		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	7,67,92,394	52.93				
	Transfer			August 11 2017	2,13,761	7,70,06,155	53.07
	Transfer			August 18, 2017	4,73,919	7,74,80,074	53.4038
	Transfer			August 25, 2017	12,320	7,74,92,394	53.41
	Transfer			February 16, 2018	2,41,738	7,77,34,132	53.58
	At the end of the year					7,77,34,132	53.58
2	Motilal Gopilal Oswal						
	At the beginning of the year	1,21,10,476	8.35				
	Transfer			August 11, 2017	-3,50,000	1,17,60,476	8.11
	Transfer			February 9, 2018	-1,20,869	1,16,39,607	8.02
	At the end of the year					1,16,39,607	8.02

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

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – April 1, 2017		Transactions during the year		Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018)	
		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
3	Raamdeo Ramgopal Agarawal						
	At the beginning of the year	1,17,27,100	8.08				
	Transfer			August 11, 2017	-3,50,000	1,13,77,100	7.84
	Transfer			December 29, 2017	-1,100	1,13,76,000	7.84
	Transfer			February 9, 2018	-1,20,869	1,12,55,131	7.76
	At the end of the year					1,12,55,131	7.76
4	Raamdeo Ramgopal Agarawal-HUF						
	At the beginning of the year	6,50,000	0.45				
	At the end of the year					6,50,000	0.45
5	Suneeta Raamdeo Agarawal						
	At the beginning of the year	2,95,400	0.2				
	At the end of the year					2,95,400	0.2036
6	Vimla Motilal Oswal						
	At the beginning of the year	1,25,240	0.09				
	At the end of the year					1,25,240	0.09
7	Vinay Agrawal						
	At the beginning of the year	1,00,000	0.07				
	At the end of the year					1,00,000	0.07
8	Karoon Ramgopal Agarawal						
	At the beginning of the year	1,00,000	0.07				
	At the end of the year					1,00,000	0.07
9	Suman Agrawal						
	At the beginning of the year	1,00,000	0.07				
	At the end of the year					1,00,000	0.07
10	Sukhdeo Ramgopal Agarawal						
	At the beginning of the year	80,200	0.06				
	At the end of the year					80,200	0.06
11	Anita Agrawal						
	At the beginning of the year	80,000	0.06				
	At the end of the year					80,000	0.06
12	Satish Agrawal						
	At the beginning of the year	79,000	0.05				
	At the end of the year					79,000	0.06
13	Govind Deo Agarawal						
	At the beginning of the year	55,770	0.04				
	At the end of the year					55,770	0.04
14	Oswal Rajendra Gopilal						
	At the beginning of the year	55,000	0.04				
	At the end of the year					55,000	0.04

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

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year – April 1, 2017		Transactions during the year		Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018)	
		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
15	OSAG Enterprises LLP						
	At the beginning of the year	2,000	0				
	At the end of the year					2,000	0.0014
16	Vimala Devi						
	At the beginning of the year	11,000	0				
	Transfer			11 Aug 2017	-3,000	8,000	0.01
	Transfer			29 Sep 2017	-3,000	5,000	0.0034
	Transfer			23 Feb 2018	-3,500	1,500	0.001
	At the end of the year					1,500	0.001
17	Motilal Gopilal Oswal-HUF						
	At the beginning of the year	120	0				
	At the end of the year					120	0.0001

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

Notes:

1. Paid up Share Capital of the Company (Face Value ₹ 1/- each) at the end of the year is 145,083,558 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* (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, 2017)		Transactions during the year		Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018)	
		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	Franklin Templeton Investment Funds						
	At the beginning of the year	42,98,806	2.96				
	Transfer			April 7, 2017	-3,94,921	39,03,885	2.69
	Transfer			April 14, 2017	-1,55,079	37,48,806	2.58
	Transfer			June 9, 2017	2,175	37,50,981	2.59
	Transfer			June 23, 2017	-1,04,205	36,46,776	2.51
	Transfer			October 13, 2017	-1,718	36,45,058	2.51
	Transfer			October 20 2017	-1,450	36,43,608	2.51
	Transfer			December 8, 2017	-3,50,000	32,93,608	2.27
	Transfer			December 22, 2017	-1,36,000	31,57,608	2.18
	Transfer			January 12, 2018	-3,500	31,54,108	2.17
	Transfer			January 26, 2018	13,340	31,67,448	2.18
		At the End of the Year					31,67,448
2	DF International Partners						
	At the beginning of the year	0	0.00				
	Transfer			September 29, 2017	5,17,270	5,17,270	0.36
	Transfer			October 6, 2017	79,998	5,97,268	0.41
	Transfer			October 13, 2017	1,17,089	7,14,357	0.49
	Transfer			November 10, 2017	1,38,370	8,52,727	0.59
	Transfer			February 23, 2018	1,10,000	9,62,727	0.66
	Transfer			March 9, 2018	5,40,550	15,03,277	1.04
	Transfer			March 16, 2018	6,50,000	21,53,277	1.48

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, 2017)		Transactions during the year		Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018)	
		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
	At the End of the Year					21,53,277	1.48
3	Rajat Rajgarhia						
	At the beginning of the year	18,66,822	1.29				
	Transfer			May 12, 2017	-50,000	18,16,822	1.25
	Transfer			September 29, 2017	-50,000	17,66,822	1.22
	Transfer			November 17, 2017	-50,000	17,16,822	1.18
	At the End of the Year					17,16,822	1.18
4	Steadview Capital Mauritius Limited						
	At the beginning of the year	0	0.00				
	Transfer			May 12, 2017	5,49,067	5,49,067	0.38
	Transfer			May 19, 2017	1,94,897	7,43,964	0.51
	Transfer			May 26, 2017	1,57,185	9,01,149	0.62
	Transfer			June 2, 2017	50,000	9,51,149	0.66
	Transfer			June 9, 2017	1,54,340	11,05,489	0.76
	Transfer			August 11, 2017	30,000	11,35,489	0.78
	Transfer			September 8, 2017	1,30,000	12,65,489	0.87
	Transfer			September 15, 2017	2,00,000	14,65,489	1.01
	Transfer			September 29, 2017	1,00,000	15,65,489	1.08
	Transfer			December 15, 2017	1,10,715	16,76,204	1.16
	At the End of the Year					16,76,204	1.16
5	JP Morgan Indian Investment Company (Mauritius) Limited						
	At the beginning of the year	20,87,896	1.44				
	Transfer			April 14, 2017	-17,648	20,70,248	1.43
	Transfer			April 21, 2017	-2,29,998	18,40,250	1.27
	Transfer			April 28, 2017	-11,216	18,29,034	1.26
	Transfer			May 12, 2017	-3,50,000	14,79,034	1.02
	Transfer			June 2, 2017	-1,15,000	13,64,034	0.94
	Transfer			June 9, 2017	-50,000	13,14,034	0.91
	Transfer			September 8, 2017	-1,00,000	12,14,034	0.84
	At the End of the Year					12,14,034	0.84
6	JP Morgan Funds						
	At the beginning of the year	0	0.00				
	Transfer			September 29, 2017	9,487	9,487	0.01
	Transfer			October 6, 2017	9,79,373	9,88,860	0.68
	Transfer			February 23, 2018	1,17,420	11,06,280	0.76
	At the End of the Year					11,06,280	0.76
7	TIMF Holdings						
	At the beginning of the year	18,68,022	1.29				
	Transfer			May 12, 2017	-2,66,602	16,01,420	1.10
	Transfer			May 19, 2017	-1,51,780	14,49,640	1.00
	Transfer			June 16, 2017	-1,00,000	13,49,640	0.93
	Transfer			September 8, 2017	-2,11,151	11,38,489	0.78
	Transfer			September 29, 2017	-96,893	10,41,596	0.72
	At the End of the Year					10,41,596	0.72

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, 2017)		Transactions during the year		Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018)		
		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	
8	Armor Qualified, LP							
	At the beginning of the year	11,56,050	0.80					
	Transfer			April 7, 2017	-21,904	11,34,146	0.78	
	Transfer			April 14, 2017	-71,504	10,62,642	0.73	
	Transfer			April 21, 2017	-50,241	10,12,401	0.70	
	Transfer			April 28, 2017	-18,178	9,94,223	0.69	
	Transfer			May 12, 2017	-6,416	9,87,807	0.68	
	Transfer			May 19, 2017	-8,736	9,79,071	0.67	
	Transfer			June 16, 2017	-8,541	9,70,530	0.67	
	Transfer			June 23, 2017	-2,130	9,68,400	0.67	
	Transfer			August 4, 2017	12,457	9,80,857	0.68	
	Transfer			August 11, 2017	21,956	10,02,813	0.69	
	Transfer			August 18, 2017	1,234	10,04,047	0.69	
	Transfer			October 13, 2017	-8,192	9,95,855	0.69	
	Transfer			October 20, 2017	-1,152	9,94,703	0.69	
	Transfer			October 27, 2017	-293	9,94,410	0.69	
	Transfer			November 3, 2017	-3,975	9,90,435	0.68	
	Transfer			November 10, 2017	-3,660	9,86,775	0.68	
	Transfer			January 5, 2018	-3,059	9,83,716	0.68	
	Transfer			January 12, 2018	-15,355	9,68,361	0.67	
	At the End of the Year					9,68,361	0.67	
9	EM Resurgent Fund							
	At the beginning of the year	11,40,687	0.79					
	Transfer			January 26, 2018	-6,900	11,33,787	0.78	
	Transfer			February 2, 2018	-15,218	11,18,569	0.77	
	Transfer			February 23, 2018	-25,900	10,92,669	0.75	
	Transfer			March 2, 2018	-13,000	10,79,669	0.74	
	Transfer			March 9, 2018	-6,078	10,73,591	0.74	
	Transfer			March 23, 2018	-1,34,572	9,39,019	0.65	
	Transfer			March 31, 2018	-15,315	9,23,704	0.64	
		At the End of the Year					9,23,704	0.64
10	Vaneck Funds - Emerging Markets Fund							
	At the beginning of the year	0	0					
	Transfer			December 8, 2017	93,865	93,865	0.065	
	Transfer			December 15, 2017	3,86,372	4,80,237	0.331	
	Transfer			December 22, 2017	10,569	4,90,806	0.338	
	Transfer			December 29, 2017	39,128	5,29,934	0.365	
	Transfer			January 5, 2018	21,424	5,51,358	0.380	
	Transfer			January 12, 2018	11,642	5,63,000	0.388	
	Transfer			January 26, 2018	1,40,000	7,03,000	0.485	
	Transfer			February 23, 2018	45,195	7,48,195	0.516	
	Transfer			March 2, 2018	21,075	7,69,270	0.530	
	Transfer			March 9, 2018	15,735	7,85,005	0.541	
	Transfer			March 16, 2018	84,265	8,69,270	0.599	
		At the End of the Year					8,69,270	0.599

* The Top Ten Shareholders as on March 31, 2018 are been considered for the above disclosure.

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

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

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, 2017)		Transactions during the year		Cumulative Shareholding during the year (April 1, 2017 to March 31, 2018)	
		No. of shares	% of total shares of the Company	Date of transaction*	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	1,21,10,476	8.38				
	Transfer			August 9, 2017	-3,50,000	1,17,60,476	8.13
	Transfer			February 9, 2018	-1,20,869	1,16,39,607	8.04
	At the end of the year	-	-			1,16,39,607	8.04
2	Mr. Raamdeo Agarawal (Joint Managing Director)						
	At the beginning of the year	1,17,27,100	8.11			-	-
	Transfer			August 9, 2017	-3,50,000	1,13,77,100	7.86
	Transfer			December 26, 2017	-1,000	1,13,76,100	7.86
	Transfer			December 26, 2017	-100	1,13,76,000	7.86
	Transfer			February 9, 2018	-1,20,869	1,12,55,131	7.78
	At the end of the year	-	-			1,12,55,131	7.78
3.	Mr. Navin Agarawal (Non-Executive Director)						
	At the beginning of the year	78,04,010	5.4				
	Transfer			June 15, 2017	-2,00,000	76,04,010	5.26
	Transfer			September 28, 2017	-6,00,000	70,04,010	4.84
	At the end of the year	-	-			70,04,010	4.84
3	Mr. Vivek Paranjpe (Independent Director)						
	At the beginning of the year	-	-			-	-
	At the end of the year	-	-			-	-
4	Mr. Praveen Tripathi (Independent Director)						
	At the beginning of the year	-	-			-	-
	At the end of the year	-	-			-	-
5	Ms. Sharda Agarwal (Independent Director)						
	At the beginning of the year	-	-			-	-
	At the end of the year	-	-			-	-
6	Mr. Shalibhadra Shah (Chief Financial Officer) (Appointed w.e.f. April 27, 2017)						
	At the beginning of the year	68,001	0.05			-	-
	Transfer			June 2, 2017	-5,000	63,001	0.04
	Transfer			February 20, 2018	-40,000	23,001	0.01
	At the end of the year	-	-			23,001	0.01
7	Mr. Kailash Purohit (Company Secretary)(Appointed w.e.f. November 04, 2017)						
	At the beginning of the year	-	-			-	-
	At the end of the year	-	-			-	-

*Date of Transfer has been considered as the date on which the beneficiary position was provided by the Depositories to your 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	21,605	19,759	–	41,364
ii) Interest due but not paid	89	–	–	89
iii) Interest accrued but not due	–	405	–	405
Total (i+ii+iii)	21,694	20,164	–	41,858
Change in Indebtedness during the financial year				
Additions	81,597	63,223	–	1,44,820
Reduction	21,646	19,759	–	41,404
Net Change	59,951	43,464	–	1,03,416
Indebtedness at the end of the financial year				
i) Principal Amount	81,597	61,229	–	1,42,826
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	–	1,45,273

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 ⁽¹⁾	Mr. Raamdeo Agarawal ⁽²⁾	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax, 1961.	2,39,85,000.00	2,40,00,000.00	4,79,85,000
	(b) Value of perquisites under Section 17(2) of the Income tax Act, 1961	43,600	38,92,752	39,36,352
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	–	–	–
2	Stock option (Number of options)	–	–	–
3	Sweat Equity	–	–	–
4	Commission	–	–	–
	- as % of profit	–	–	–
	- others (specify)	–	–	–
5	Others, please specify	–	–	–
	Total (A)	2,40,28,600	2,78,92,752	5,19,21,352
	Ceiling as per the Act	Within the overall limits of 10% of the Net Profit of the Company		

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

A. Remuneration to other directors:

(Amount in ₹)

Particulars of Remuneration	Independent Directors			Non-Executive Directors	Total Amount
	Mr. Vivek Paranjpe	Mr. Praveen Tripathi	Mrs. Sharda Agarwal	Mr. Navin Agarwal	
(a) Fee for attending board and Committee meetings	1,40,000	1,60,000	1,20,000	Nil	4,20,000
(b) Commission	5,00,000	5,00,000	5,00,000	–	15,00,000
(c) Others, please specify	–	–	–	–	–
Total (B)	6,40,000	6,60,000	6,20,000	–	19,20,000
Total Managerial Remuneration=(A) + (B)					
Overall Ceiling as per the Act.	Within the overall limits of 1% of the Net Profit of the Company				

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

Sr. No.	Particulars of Remuneration	Name of the Key Managerial Personnel				Total Amount (₹)
		Mr. Motilal Oswal (CEO)	Mr. Shalibhadra Shah (CFO) ⁽¹⁾	Mr. Murlu Krishnan Iyer (CS) ⁽²⁾	Mr. Kailash Purohit (CS) ⁽³⁾	
1	Gross Salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961.	–	1,19,35,025	16,73,299	5,26,792	1,41,35,116
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	–	36,400	–	–	36,400
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	–	–	–	–	–
2	Stock Option	–	–	–	–	–
3	Sweat Equity	–	–	–	–	–
4	Commission	–	–	–	–	–
	-as % of profit	–	–	–	–	–
	-others, specify	–	–	–	–	–
5	Others, please specify	–	–	–	–	–
	Total	–	1,19,71,425	16,73,299	5,26,792	1,41,71,516

Notes:

- (1) Appointed as Chief Financial Officer w.e.f. April 27, 2017.
- (2) Resigned as the Company Secretary w.e.f. September 13, 2017
- (3) Appointed as the Company Secretary w.e.f. November 4, 2017.

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

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

Place : Mumbai
Date : August 21, 2018

Motilal Oswal
Chairman and Managing Director
(DIN: 00024503)

MANAGEMENT DISCUSSION AND ANALYSIS

Economic agenda remains in the forefront for India's government

In FY18, Government has made huge strides towards financial inclusion and pushing the expansion of digital India. India is steadily moving towards greater formalization of the informal economy. Indian economy expected to grow at the rate of 7.4% in 2018 and 7.8% in 2019 in the recently International Monetary Fund (IMF) report. Growth is driven by strong private consumption as well as strongly emerging out of demonetization and implementation of GST. If momentum of 7% GDP growth rate remains same then size of economy can be doubled in a decade. India's projected FY19 growth rates are well above China's 6.6% and 6.4% over the same period. India gained 20 points in the World Economic Forum's (WEFR) Global Competitiveness rankings in last 4 years and stands at 40th position. Indian economy achieved growth rate of 7.7%, during the Q4FY18 as opposed to 7% in the Q3FY18. India also regained its tag of the fastest growing major economy. According to economic survey 2018, there has been 60% increase in the number of indirect payers in the economy. Negative effect of major reforms like GST and demonetization is wearing off now as there is high optimism in domestic demand in the form of consumption and revival in small scale business activities, resulting in an increase in FDI flows into the country.

Moody's Investor Service upgraded India's sovereign rating from Baa3 to Baa2, and changed the outlook from stable to positive which implicates that it is endorsing Government's reform policy. In November 2017, the Government announced steps to recapitalize a number of PSU banks, which resulted in renewed interest in PSU Bank stocks. Recent measures to speed up the recognition of stressed assets will help improve the resolution of non-performing loans which are large by international standards. The government launched a national health protection scheme in 2018 to provide insurance coverage to 100 million poor and vulnerable families, i.e. about 500 million beneficiaries, for secondary and tertiary care. It also envisages the creation of wellness and primary care centers to provide affordable and equitable health care through the country. Reforms are gradually paying off, as confirmed by the recovery in industrial production and investment after several weak years. With capacity utilisation rising, corporate earnings recovering and the recapitalisation of public banks, investment has revived.

The Equity Markets in FY2018

The large-cap benchmark, Nifty 50, rose 10% YoY in FY2018. The multi-cap benchmark, Nifty 500, rose 11% YoY. The indices delivered positive returns during each quarter of the year except last quarter of FY18 which was majorly impacted due to global trade war and rise in oil prices. FY2018 saw net inflow by FIIs for the second consecutive year, amounting ₹ 26,019 Crores. However, it was still lower than the levels seen during FY2013 and FY2015. DII saw net inflows for the 3rd consecutive year, amounting ₹ 1,14,452 Crores; this year has been the highest inflows in a decade mainly contributed by theme of increasing financial of savings. The DII flows were largely led by the renewed interest in equity mutual funds by Indian households, who are increasingly viewing it as a long-term savings vehicle delivering higher inflation-adjusted returns as compared to fixed income products.

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 under the name of Aspire Home finance.

Ratings: During the year, Crisil Limited reaffirmed the Credit Rating of "CRISIL A1+" the Commercial Paper Programme of ₹ 250 Crores of the Company. ICRA Limited assigned the credit rating of [ICRA] AA" Rating with a stable outlook to the NCD Programme of ₹ 150 Crores of the company. Crisil Limited also reaffirmed the Credit Rating of "CRISIL A1+" to the Commercial Paper Programme of ₹ 1,050 Crores of Motilal Oswal Securities 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 ₹ 200 Crores of Motilal Oswal Securities Limited. India rating also assigned rating of "IND A1+" to Commercial Paper Programme of ₹ 250 Crores of Motilal Oswal Financial Services Limited. India rating also assigned rating of "IND A1+" to Commercial Paper Programme of ₹ 1,050 Crores of Motilal Oswal Securities Limited, a subsidiary of the Company. The ratings indicate a strong degree of safety regarding timely servicing of financial obligations.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Business streams

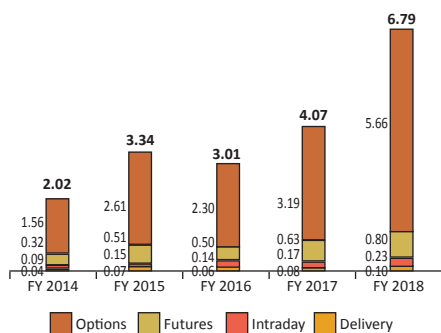
Category	Business	Primary products and services
Capital Market businesses	Broking & Distribution	Equity (cash and derivatives), Commodity broking and Currency, Distribution of financial products, Depository services, Financing (through MOFSL)
	Institutional Broking	Equity (cash and derivatives) broking, Advisory
	Investment Banking	Capital raising, M&A advisory, Domestic IPOs, Private equity placements, Corporate finance advisory, Restructuring, FCCBs and GDRs
Asset-based businesses	Public Market Equities	Portfolio management services, Mutual funds, Offshore funds
	Private Equity	Private equity investment management and advisory, Real estate investment management and advisory
	Wealth Management	Professional money managers, Trading, Alternate assets, Credit solutions, Wealth transmission, Specialized and ancillary advisory services
Housing Finance	Aspire Home Finance	Affordable housing finance
Fund-based businesses	Fund Based Activities	Loan against shares book, Sponsor commitments into our own mutual funds, private equity funds and housing finance entity

Broking Business

Industry Facts

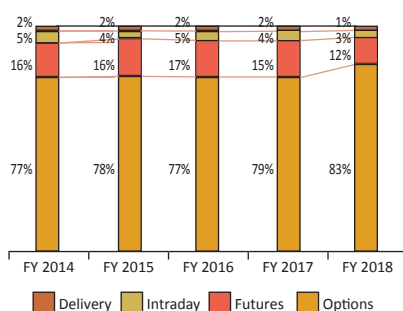
Equity market average daily traded volumes (ADTO) were ₹ 6.79 Lakh Crores in FY2018, up 67% YoY from ₹ 4.07 Lakh Crores in FY2017. Cash market ADTO was ₹ 32,976 Crores in FY2018, up 38% from ₹ 23,934 Crores in FY2017. Within cash, delivery increased 26% YoY to ₹ 9,646 Crores. Cash volumes were 58% higher than the average seen between last five years. Within derivatives, futures volume rose 28% YoY to ₹ 79,855 Crores while options rose 77% YoY to ₹ 5.66 Lakh Crores. Amongst cash market participants, retail constitutes 55% of total cash volume, up 41% YoY and institution constitutes 26% of total cash volume, up 27% YoY and prop constitutes 19%, up 47% YoY. Within institution, DII cash volumes increased 51% YoY, led by renewed interest in equity mutual funds from retail/HNI investors. The proportion of retail within cash volumes increased from 54% to 55% YoY while that of DII increased from 9.5% to 10.4% YoY. With primary market seeing higher IPO activity since the last two years, and IPOs typically being a point of entry for new investors into direct equities, the incremental demat accounts created during FY2018 and FY2017 has been much higher than the previous years. As primary market issues pick up further, the incremental accounts should also pick up at a commensurate pace.

Average Daily Volumes (₹ Lakh Crores)



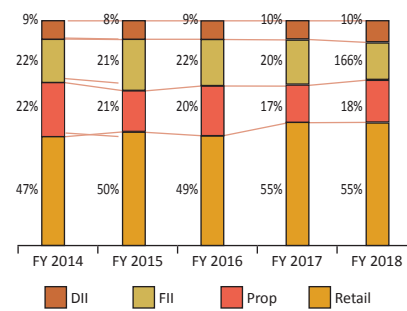
Source: BSE, NSE

Segment-wise Overall ADTO Proportions



Source: BSE, NSE

Participant-wise Cash ADTO Proportions

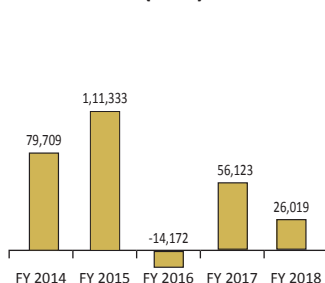


Source: BSE, NSE

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

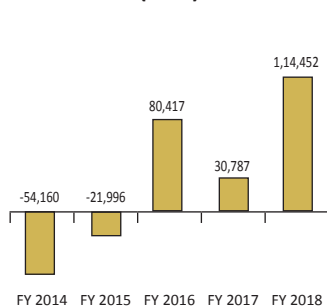
While FIIs saw net outflows from Indian equities during FY2017; FY2018 saw strong net inflows. However, this was still lower than the levels seen during FY2013 and FY2015. Factors like implementation of the Goods and Services Tax, relative economic growth and correction in the US dollar index lured foreign investors towards India. DIIs saw net inflows for the 3rd consecutive year, largely led by the renewed interest in equity mutual funds backed by financialisation of savings leads to highest inflows by DII in a decade. Consolidation of NSE cash market volumes amongst the Top-25 brokers increased in FY2018 when the market rallied. Top-25 brokers comprised 45.9% of cash volumes in FY2014, which increased to 47.8% till FY2015, and to 51% in FY2018.

FII net inflows into equities (₹ bn)



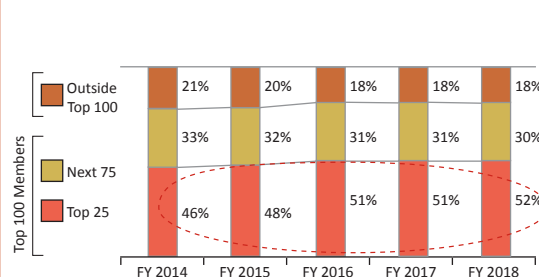
Source: SEBI, CDSL

DII net inflows into equities (₹ bn)



Source: BSE, NSE

% Cash Turnover by top 'X' Members in NSE



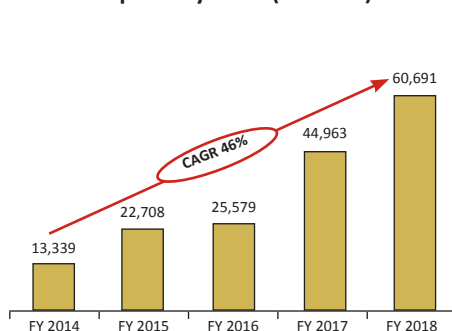
Source: NSE

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.

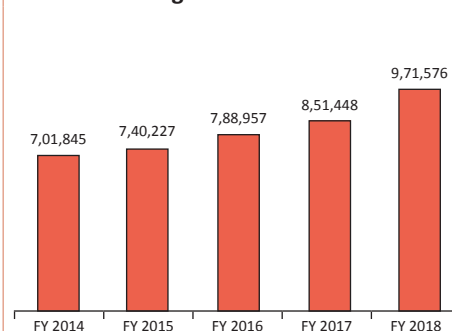
Retail Segment: Services offered include equities, derivatives, commodities, currency, depository services, distribution of investments products like portfolio management services, mutual funds, primary equity offerings and other investment products.

Depository AUM (₹ Crores)



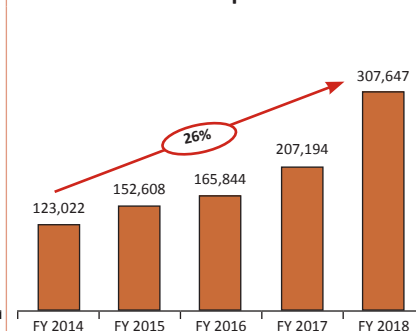
Source: Company

Retail broking and distribution clients



Source: Company

Active clients upward trend



Source: Company

As of Mar 2018, Company had more than 970,000 retail broking and distribution clients, with over 760,000 having depository accounts. Retail client addition was stronger this year, at 120,000+ in FY2018 vs. 62,000+ in FY2015. Our broking business is franchisee based model with 2000+ franchisees spread across India. In FY18 we added 650 new franchisees and channel partners. This franchisee based model protects us in down market trend scenario where entire cost is with franchisee and we are just partner in profits. In FY18, retail broking business focus was on building scale and competitiveness through high-quality advisory, digital initiatives, assets-based product distribution, system-driven trading products and network expansion. We continued investments into dedicated advisory desks for mass-retail and affluent clientele. Our investments into our advisory, sales and leadership teams and the online channel and technology offerings means that the capacity is in place to handle the increased business volumes as investor interest pick up further.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

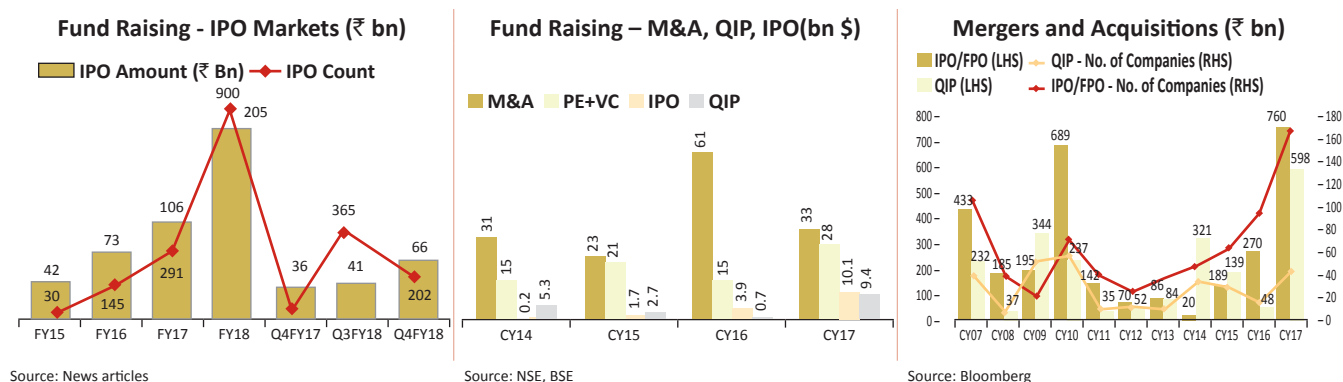
In FY18, Broking business registered highest-ever annual revenues and crossed the milestone of ₹ 10 bn. We have given significant impetus to financial product distribution, in a bid to increase annuity based revenues. Since FY16 Distribution income as a percentage of gross retail broking income has increased from 10% in FY16 to 17.5% in FY18. Financial product distribution AUM was ₹ 7,506 Crores as of Mar 2018, up 71% YoY with net sales of ₹ 3,022 Crores in FY2018, up 90% YoY. Our outlets are being leveraged to deepen product penetration through cross selling of various financial products. With only ~10% of our client base and ~20% of the network currently tapped across branches and franchisees, the potential headroom for growth in cross-selling remains significant. Our digital business has gained traction, with ~46% of retail volume traded online in FY2018, up from ~36% in FY16. The new mobile app saw ~350,000 downloads in FY18. The contribution of the mobile app to total online volume crossed ~26% in FY2018, up from ~10% in the FY16. The commodity business saw active interest as precious metals rallied and base metals bounced. Currency and interest rate futures business also saw traction. We won the Finnoviti award for MO GENIE.

Institutional Broking: We offer institutional broking in cash and derivatives to domestic and foreign institutions. As of Mar 2018, we were empanelled with 675 institutions, up from 630 in FY17. We continued to strengthen our competitive positioning through research offerings, corporate access outreach and sales and trading capabilities. MIFID-II was big boost, helping to strengthen our position as a reliable trading counterpart. Blocks comprised a higher share in our institutional volumes. We introduced new differentiated research products, which evinced increased client interest. During the year, we ramped up corporate access outreach via mini-conferences, roadshows & management meets. The 13th Motilal Oswal Annual Global Investor Conference (AGIC) themed 'India Rising' was held in Sep'17. Unarguably one of the biggest events in India, the AGIC featured a number of high-profile speakers and top managements of India's 150+ leading companies, which resulted in more than 1,000 global and domestic investors participating in the event leading to more than 4500+ meetings. The quality of our services was recognized at prestigious industry forums. At the AsiaMoney Awards 2017, we were ranked 1st in Events/Conferences.

Investment Banking

Industry Facts

The number of IPOs in India increased from 106 in FY2016 to 205 in FY2018. The amount of funds raised through IPOs in FY2018 was ₹ 90,000 Crores, up from ₹ 29,100 Crores in FY17. Big-ticket IPOs in FY2018 were from the BFSI sector, including General Insurance, New India Assurance, HDFC life insurance, SBI life insurance. The number of QIPs increased from 22 in FY2017 to 52 in FY2018. The amount of funds raised through QIPs in FY2018 was ₹ 49,100 Crores, increased from ₹ 13,670 Crores in the previous year. M&A activity in India were muted in FY2018. The deal value in FY2018 was ₹ 2.89 Lakh Crores, much lower than the ₹ 4.53 Lakh Crores in FY2017. The number of M&A deals was marginally lower at 963 in FY2018, as compared to 996 in FY2017.



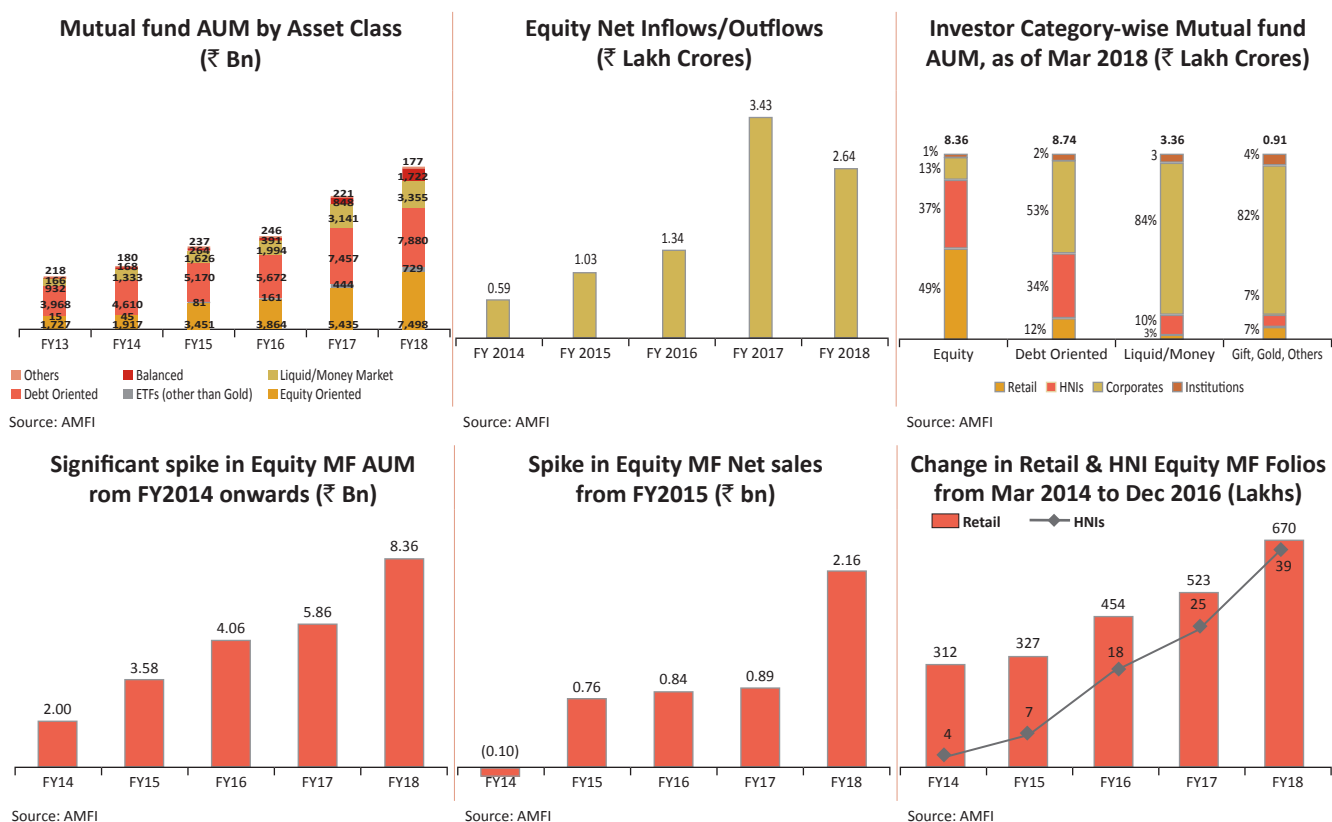
Our Investment Banking Business

FY18 has been a milestone year, where we have worked with marquee large-caps companies. This gives us tremendous league table credit in addition to positioning us favourably. We have executed two of the largest preferential allotment transactions in the BFSI sector for HDFC and RBL. We have completed several marquee transactions in FY18 – QIPs for HDFC Ltd (₹ 18.9 bn), L&T Finance (₹ 10 bn), Piramal Enterprises (₹ 49.9 bn), Dena Bank (₹ 4 bn), Sanghi Industries (₹ 4 bn) and LT Foods (₹ 4 bn, as Sole BRLM). We have also managed IPOs for MAS Financial (₹ 4.6 bn, as Sole BRLM), AU Small Finance Bank (₹ 19.1 bn) and Dixon (₹ 7.2 bn). Investment Banking business has achieved its highest ever revenues of ₹ 1.1 bn, +30% in FY18. Profit for the year was ₹ 603 mn, +62%. The deal pipeline remains robust.

Asset Management

Industry Facts

In FY2018, mutual fund industry AUM reached high of ₹ 21.36 Lakh Crores, up 22% YoY. Equity mutual fund AUM increased by 43% YoY during FY2018 to ₹ 8.36 Lakh Crores. The growth was largely owing to increased participation from retail/HNI investors, apart from the underlying market performance itself. Net sales of equity funds were ₹ 2.16 Lakh Crores in FY2018, and have been above ₹ 70,000 Crores since the last four consecutive years. The proportion of equity fund AUM within the overall AUM mix grew from 23.2% in FY2014 to 36.3% in FY2018. In FY2018 period, the growth in HNI and retail equity folios was 56% YoY and 28% YoY, respectively (HNIs is defined as individuals who invest ₹ 5 Lakhs and above). In absolute terms, the incremental folios created in HNI and retail equity was 14.17 Lakhs and 146.93 Lakhs, respectively. However, while there has been an increase in the folio count by both HNI and retail customers, the AUM held per folio has dropped slightly. This indicates further scope to increase the AUM from the existing clients through upselling. In equity funds specifically, retail and HNI investor hold 72% and 41% of equity AUM respectively.

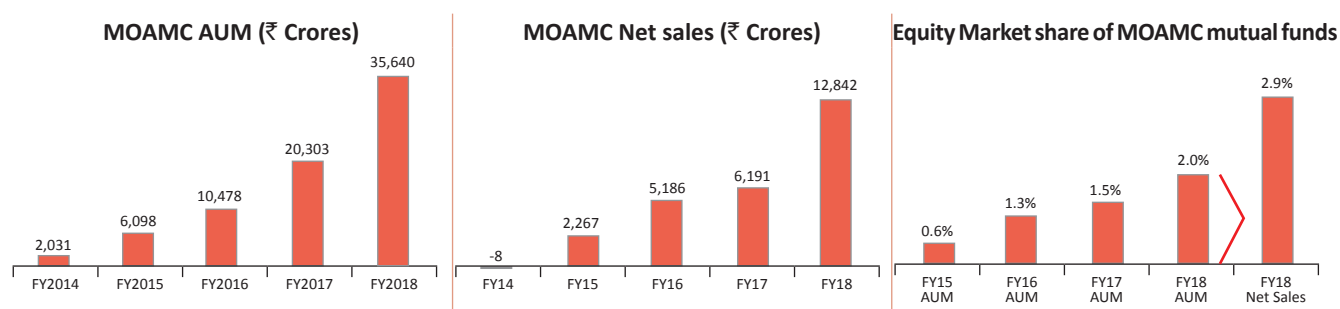


Our Asset Management Business

Motilal Oswal Asset Management (MOAMC) operates PMS and mutual fund in the public equities space. Our public market equity AUM was ₹ 35,640 Crores as of Mar 2018, up 76% YoY. Within this, the mutual fund AUM was up 95% YoY to ₹ 18,200 Crores, PMS AUM was up 43% YoY to ₹ 14,952 Crores and AIF AUM was ₹ 2,417 Crores. AMC Net Sales were ₹ 12,842 Crores in FY2018, up 125% YoY. The net sales in the context of the closing AUM provides visibility of continued strong growth in AUM. Our net yield in this business was ~1% in FY2018. As of Mar 2018, ~20% of our non-MF AUM was performance-fee-linked as of March 2018 (13% in March 2017), within which AIF was entirely performance-based. The firm aims to push more performance-linked AUM in both PMS and AIF, as it should help push net yield further north. Our QGLP philosophy continued to deliver on performance this year. Our rank in Equity AUM improved to 9 from 14 two years ago. Our ~2% market share in Equity MF AUM should converge towards our ~2.9% market share in Equity MF Net Sales as we scale up further. Our three mutual funds have completed their 3-year performance track record, which should enhance further participation from distributors. Significant investments in manpower (up 36% from Mar 2018) and advertising/marketing have been upfronted, which should help build operating leverage in the future. While our advertising and marketing spends were up 54% YoY to ₹ 28 Crores in FY2018, this should help boost brand-recall in the long term. Financial

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

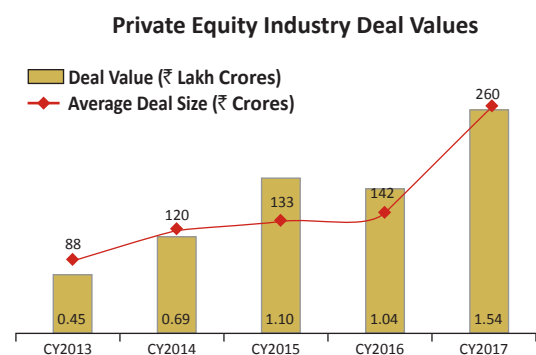
savings to total savings in India rose from ~31% in FY2012 to ~46% in FY2017, and the domestic market should continue to benefit from this shift of savings from physical assets to financial assets. Offshore segment is 2X of institutional held market capitalization in India. While our business has built a strong positioning across the domestic institution segment, it is now in process of tapping global pools of capital with offshore initiatives. We are seeing initial interest in our offshore product.



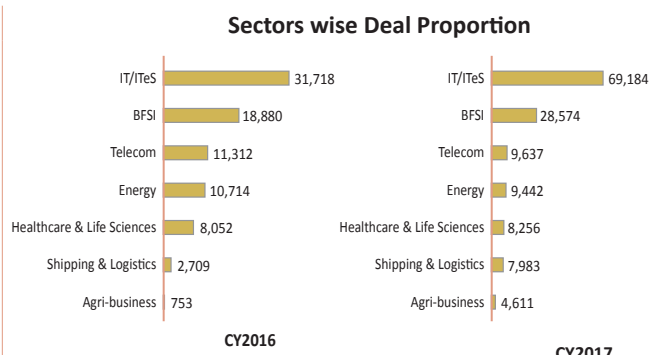
Private Equity

Industry Facts

Private equity deal value at ₹ 1.54 Lakh Crores was higher than the previous high in CY2015 at ₹ 1.1 Lakh Crores. Deal value in CY2017 was 54% up on a YoY basis. The average deal value picked up from ₹ 142 Crores in CY2016 to ₹ 260 Crores in CY2017. This year saw large-value transactions in the IT sector like Flipkart, Aricent, GlobalLogic and GENPACT. Apart from IT, BFSI, Telecom, Energy and Healthcare also dominated the deal values this year. In terms of exits for private equity through IPOs, the number of IPOs at 22 in CY2017 was higher as compared to the 16 seen in CY2016. Also, overall issuance increased due to the large IPOs of Au small finance bank, Eric Life sciences and India Energy Exchange.



Source: Venture Intelligence



Source: Venture Intelligence

Our Private Equity Business

MOPE Investment Advisors manages three growth capital funds and three real estate funds. The growth funds focus on themes that may benefit from structural changes like domestic consumption, domestic savings, infrastructure, etc. MOPE Funds stand out with stellar performance. IBEF I has delivered a portfolio IRR of 27.7% and is expected to return 6x MoC (Multiple of Cost). Till date, 3.3x MoC has been returned for INR investors and 2.2x for USD investors. 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 is aiding new fund raising. Fund III was launched in FY18 with a target size of ₹ 2000 Crore. The fund has already raised of ₹ 1470 Crore and is expected to achieve targeted size of ₹ 2000 Crore by September 2018. Fund III has already deployed ₹ 390 Crore across two investments and has a robust deal pipeline going ahead.

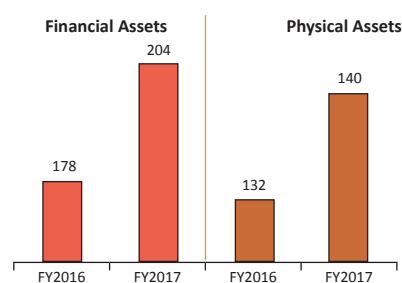
IREF I has fully exited from all 7 investments, translating into ~118% capital returned to investors. IREF II is fully deployed across 14 investments. The Fund has secured 6 complete exits and 1 structured exit and has returned ~81% capital to the investors. Average IRR on exited investments is ~22%. IREF III is ~56% deployed across 13 investments. The Fund has secured 2 full exits and has returned ~23% of capital to the investors. Average IRR on exited investments is ~22.2%.

Wealth Management

Industry Facts

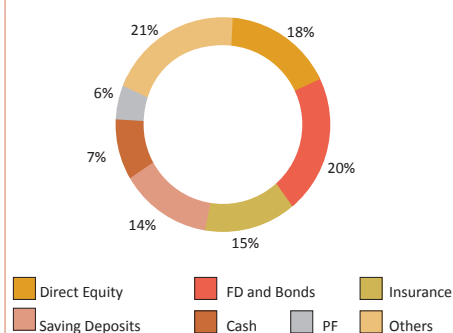
As per the Karvy Private Wealth Report 2018, the total wealth held by individuals in India grew by 10.9% YoY to ₹ 344 Lakh Crores in FY2017. Within this, physical assets comprised ₹ 140.1 Lakh Crores and financial assets comprised ₹ 203.9 Lakh Crores. During FY2017, individual wealth in financial assets grew by 14.6% YoY, led by Equities and saving deposits. In FY2017, ~77% of the new money was invested in financial assets as compared to ~35-40% in the previous years. Direct equity comprised a 18.4% share in financial assets in FY2017 which was 17.2% in FY2016, while fixed deposits comprised 19.7% which was 20.7% in FY2016. However, the composition of equities in overall assets is still very less in India, as compared to the world.

Growth in individual wealth held in financial and physical assets (₹ Lakh Crores)



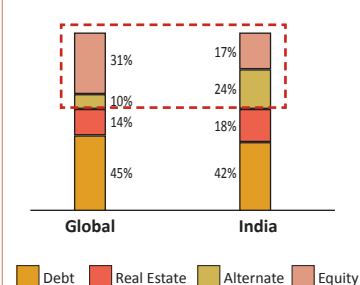
Source: Karvy Private Wealth Report 2017

Individual wealth in various financial assets in 2017 (%)



Source: Karvy Private Wealth Report 2017

Proportion of allocation of individual assets - India vs Global



Source: Karvy Private Wealth Report 2017

Our Wealth Management Business

This business saw significant traction in AUM, Net Sales and margin expansion this year. Wealth AUM picked up from ₹ 10,100 Crores to ₹ 14,713 Crores during FY2018, up 46% YoY. Net sales in FY2018 were ₹ 2,660 Crores, up 50% YoY from ₹ 1,776 Crores in FY2017. EBITDA margins of this business have improved to 35% from 31% in FY17. The quality of our product and advisory team was demonstrated, as only half of the incremental AUM was contributed by net sales, while the other was due to product performance. The number of client families increased by 43% YoY. This traction was largely a result of continued ramp up of the Relationship Manager (RM) base and in our advisory capabilities. A strong brand image has helped us to attract quality RM talent. We added 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 inclination to invest in financial assets remains high in the country. Investments in strong RM addition suppressed reported profitability of past years. As the ratio of new additions to opening RM's falls and the vintage of RM's improve, both productivity and profitability of the business will scale up. Yield remained robust led by favorable equity mix of ~70% in total AUM. Trail income from this business covers 68% of cost and this will provide cushion to margins in downturn.

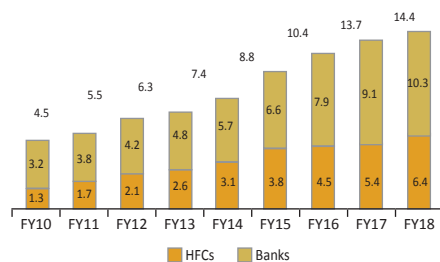
Housing Finance

Industry Facts

The total outstanding housing credit in India stood at ₹ 16.7 Lakh Crores as of Mar 2018, within which HFC housing credit comprised ₹ 6.4 Lakh Crores and bank housing credit was ₹ 10.3 Lakh Crores, according to ICRA report. HFCs accounted for 38% of total housing credit as of Mar 2018, up from 36% in Mar 15 and 29% back in Mar 2010. Conversely, the proportion of banks within total housing credit dipped from 71% in Mar 2010 to 62% in Mar 2018. Between Mar 2014 and Mar 2017, HFCs housing credit grew by 18% CAGR as compared to 16% in the case of banks. Assets under management (AUMs) of HFCs witnessed faster-than expected growth in the financial year 2017-18 on the back of huge demand arising from the affordable housing segment. AUM of Home loan segment increased 21% in FY18 over FY17, which translated into a CAGR of over 20% over the past three years. Disbursements by HFCs at the growth rate ranging between 30%-40%.

YoY Trend in housing credit in India (₹ Lakh Crores)

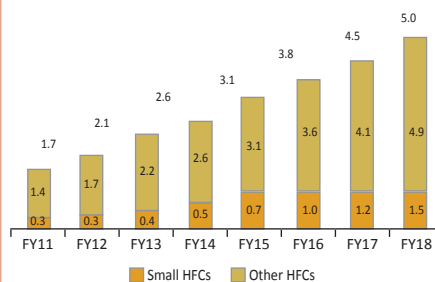
Housing Credit CAGR: 18%
Banks Housing Credit CAGR: 16%
HFCs Housing Credit CAGR: 22%



Source: RBI, ICRA

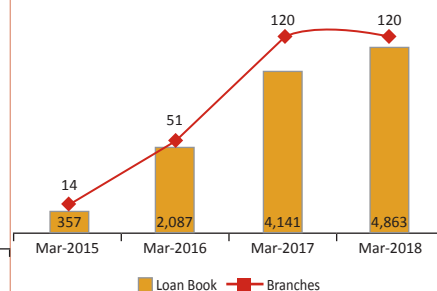
Small HFCs has outpaced the other HFCs (₹ Lakh Crores)

All HFCs Housing-Only Portfolio CAGR: 21%
Small HFCs Housing-Only Portfolio CAGR: 29%
Other HFCs Housing-Only Portfolio CAGR: 19%



Source: RBI, ICRA

Aspire Loan Book (₹ Crores) and Branches



Source: Company

Our Housing Finance Business

Aspire Home Finance is focused on pure-retail affordable housing loans. During FY2018, we disbursed loans of ₹ 1,433 Crores. The loan book stood at ~₹ 4,863 Crores across ~57,900 families as of Mar 2018, as compared with ₹ 4,141 Crores across ~46,400 families as of Mar 2017. In FY2018, average ticket-size of loan was ₹ 8.54 Lakhs in FY2018, slightly lower than the ₹ 9 Lakhs in FY2017. The debt equity ratio was 4.9x as of Mar 2018. The liability profile is diversified, with ~54% of the borrowings from the capital markets in the form of NCDs and ~46% from banks. Aspire had credit lines from 28 banks and 2 NBFC as of Mar 2018. Company has built strong Collection and Legal vertical with ~215 officers. Company has set up strong policies for credit appraisal and risk management. This will help to sustain better performance in the coming years. After demonetization, impact of not having collection organization in place had let to surge in NPAs. GNPA stood at 4.5% as on Mar 18. Asset quality deterioration in FY2018 was on account of seasoning of book coupled with delay in setting up collection organisation. Further, prolonged impact of external shocks (GST, RERA) in economy also affected asset quality. Impact of collection and legal organisation is expected to bear positive results. However, dedicated collection and legal organization now in place along with strengthen underwriting and processes. Company has also changed organization structure from Branch banking model to Vertical structure with separation of credit from branch. We have created Cluster level credit layer along with 5 layer credit approval system based on loan ticket sizes. We have also rolled out differentiated pricing methodology for loans based on risk type. The cumulative capital infusion from the sponsor was ₹ 650 Crores and net worth was ~₹ 800 Crores, as of Mar 2018. Strong ramp-up in collection headcount is done; however average age of collection officers into the system is less than two months. We expect meaningful traction in collections, as their customer touch base increases in-line with their vintage. We have invested significantly into digital initiatives to reduce operational costs and turnaround-times, and improve customer convenience. These include our new apps for sales, credit, clients and vendors. We expect a significant portion of our transactions to be covered by digital tools in the coming year.

Fund based activities focusing on 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 Aspire Home Finance, and sponsor commitments to our mutual fund and private equity funds. As of Mar 2018, our investments in quoted equity investments stood at ₹ 975 Crores (at cost) and ₹ ~247 Crores into private equity funds. Unrealized gain on quoted equity investments was ₹ 560 Crores. These unrealized gains on quoted equity investments are yet to be reported in the P/L account for the year. While the reported ROE was 28% for the year, it would have been much higher at 32% had these gains been included. The 1st growth fund returned ~₹ 39 Crores to MOFSL as sponsor's portfolio gain in FY2018, and FY2019 is expected to see a similar amount. This process should start flowing even in the other private equity funds, as and when they reach their exit-stage. The NBFC loan book stood at ₹ 188 Crores. The LAS lending business, earlier done from equity capital, is now being run as a spread business.

Opportunities and Threats

Opportunities

- Long-term economic outlook positive, will lead to opportunity for financial services

MANAGEMENT DISCUSSION AND ANALYSIS *(Contd.)*

- 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 two 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 – 2,200+ outlets across 588 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 2,200+ business locations operated by business associates or directly through own branches in 588 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.

- **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 ₹ 250 Crores of the Company. ICRA Limited assigned the credit rating of [ICRA] AA” Rating with a stable outlook to the NCD Programme of ₹ 150 Crores of the company. Crisil Limited also reaffirmed the Credit Rating of “CRISIL A1+” to the Commercial Paper Programme of ₹ 700 Crores of Motilal Oswal Securities 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 ₹ 50 Crores of Motilal Oswal Securities Limited. The ratings indicate a very 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 Morzaria 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.

Financial performance

Standalone Financials

The standalone performance is not presented since the comparison of performance of FY 2016-17 vis-à-vis FY 2017-18 is not feasible due to 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.

Consolidated Financials

The consolidated revenues for the year were ₹ 2,770 Crores for the year FY 2017-18 under review, an increase of 43% as compared to the previous year.

- Broking revenues increased by 47% YoY to ₹ 777 Crores. Average daily volumes in the equity markets were ₹ 6.79 Lakh Crores in FY2018, up 67% from last year. Cash market volumes were up 38% YoY to ₹ 32,976 Crores. Within cash, delivery was up 26% YoY to ₹ 9,646 Crores. Derivative volumes were up 69% YoY to ₹ 6.46 Lakh Crores. Within derivatives, futures rose up 28% YoY to ₹ 79,855 Crores. This year, options were up 77% YoY to ₹ 5.66 Lakh Crores. Amongst cash market participants, prop registered a growth of 47% YoY while retail was up 41% YoY. Domestic Institutional Investors (“DII”) cash volumes increased 51% YoY, led by renewed interest in equity mutual funds from retail/HNI investors. The proportion of retail within cash volumes increased from 55.27% to 55.4% YoY while that of DII increased from 9.25% to 10.3% YoY. Our overall equity market share maintained at 2%. Due to our continued focus and investments into this business, we succeeded in capturing a larger chunk of the incremental

MANAGEMENT DISCUSSION AND ANALYSIS *(Contd..)*

volumes this year across both cash and derivatives. As of March 31, 2018, our client base included more than 10,50,000 retail broking and distribution clients and 675 institutions. Our Pan-India distribution reach stood at 2,200+ business locations across 588 cities. Our depository assets was ₹ 60,710 Crores, up 35% YoY, and distribution AUM was ₹ 7,530 Crores, up 71% YoY.

- Investment banking fee saw a 30% growth over the previous year, to ₹ 113.5 Crores. The IPO & QIP transactions gathered significant momentum this year. FY2018 saw the business clock it's all time high revenues since inception.
- Asset management fees also saw significant traction, increasing 87% YoY to ₹ 696 Crores, as compared to last year. Total assets under management/advice across mutual funds, PMS and private equity businesses was ₹ 40,334 Crores, up 72% YoY. Within this, the mutual fund AUM was ₹ 18,159 Crores, PMS AUM was ₹ 14,952 Crores, AIF AUM was ₹ 2,417 Crores and private equity AUM was ₹ 4,694 Crores. The company saw increased mobilization into its open-end equity mutual fund products and PMS products. In the private equity business, the 3rd private equity fund – India Business Excellence Fund III, launched during the year with target size of ₹ 2,000 Crores.
- Housing finance related income increased by 34% to ₹ 651 Crores as the business gained traction this year in terms of clients, network, banking lines and loan book. HFC loan book was ₹ 4,863 Crores, as compared to ₹ 4,141 Crores last year.
- Fund based income increased by 69% to ₹ 182 Crores. In line with the long term strategy to grow Return on Equity sustainably, the Company 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 Motilal Oswal Group ("MO 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 the Company made sponsor commitments.

Total expenses (before interest and depreciation) for the year at ₹ 1,470 Crores registered a 61% jump over previous year. People cost increased by 42% to ₹ 500 Crores. Operating expenses increased by 63% to ₹ 600 Crores. Other costs were ₹ 370 Crores, an increase of 91% over previous year. The profit before depreciation, interest, exceptional items and taxation (EBITDA) increased by 29% to ₹ 1,300 Crores.

Reported net profit for the year after minority interest stood at ₹ 561.50 Crores, an increase of 56%.

MO Group's commitments to our own mutual fund products stood at ₹ 956 Crores, as of March 31, 2018. The unrealized gain on these investments is ₹ 376 Crores, as of March 31, 2018. The same is not reflected in the profit and loss account for the year. MO Group's commitments to our alternative investment products stood at ₹ 269 Crores, as of March, 2018.

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, 2018, the Board consists of six Directors comprising of two Executive Directors, one Non-Executive Director, three Independent Directors including one Woman Director. 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 amongst 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 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 Board / Committee Agenda and Minutes. The Directors of the Company receive the Agenda

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/Compensation 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, 2018. 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 April 27, 2017, pursuant to the provisions of the Act and the Listing Regulations. The Chairman of said Meeting was Mr. Praveen Tripathi.

Familiarization Programmes for Independent Directors:

The Company has conducted the familiarisation programmes for Independent Directors during the Financial Year ("FY") 2017-18. 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 <http://www.motilaloswalgroup.com/Downloads/IR/16069033Familiarization-Programmes-for-Independent-Director.pdf>

CORPORATE GOVERNANCE (Contd..)

Board Meetings held during the year:

During the FY 2017-18, the Board met four times i.e. on April 27, 2017, July 27, 2017, November 4, 2017 and January 24, 2018. 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 2017-18 and at the previous Annual General Meeting ("AGM") held on July 27, 2017 and also the number of other Directorships and Memberships / Chairmanships of Committees held by them as on March 31, 2018 are as follows:

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

P – Promoter C – Chairman MD – Managing Director JMD – Joint Managing Director NED – Non-Executive 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.
- None of the Directors on the Board are Member of more than 10 Committees and Chairman of more than 5 Committees across all 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.

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/Compensation Committee
- 3) Stakeholders Relationship Committee
- 4) Corporate Social Responsibility Committee
- 5) Risk Management Committee

- 6) Asset Liability Management Committee
- 7) ESOP Committee
- 8) Finance Committee
- 9) Debenture Committee
- 10) Business Responsibility Committee

The details of the Committees are provided below:

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.

CORPORATE GOVERNANCE (Contd.)

Composition, Meetings and Attendance:

During the FY 2017-18, the Committee met four times i.e. on April 27, 2017, July 27, 2017, November 4, 2017 and January 24, 2018. 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 Agarwal	P, JMD	Member	4	4
Ms. Sharda Agarwal	ID	Member	4	4

The Statutory Auditors and Internal Auditors of the Company are permanent invitees for the meetings of the Committee. They have attended all the meetings held during the FY 2017-18. The Internal Auditor reports directly to the Committee.

2) Nomination and Remuneration/Compensation 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.

Composition, Meetings and Attendance:

During the FY 2017-18, the Committee met twice i.e. on April 27, 2017 and November 4, 2017. 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. Navin Agarwal	NED	Member	2	2

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/Compensation 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/Compensation 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/Compensation 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.

CORPORATE GOVERNANCE (Contd.)

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 <http://www.motilaloswalgroup.com/Downloads/IR/756054990MOFSL-Nomination-and-Remuneration-Policy-Final.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, Chairman & Managing Director and Mr. Raamdeo Agarawal, Joint Managing Director draws remuneration from the Company. Mr. Navin Agarwal, the Non-Executive Director of your Company is in the whole time employment of Motilal Oswal Securities Limited ("MOSL"), a wholly owned subsidiary of the Company and draws remuneration from MOSL. 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 Independent 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 AGM 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/Compensation Committee at its Meeting held on May 21, 2018 approved the payment of Commission of ₹ 5 Lakhs to each Independent Director of the Company for the FY 2017-18. Mr. Navin Agarwal, Non-Executive Non-Independent Director of the Company is not drawing any sitting fees for attending the Board Meetings and various Committee Meetings.

Details of the sitting fees & commission paid to the Non-Executive Directors for the FY 2017-18 are given herein below:-

(Amount in ₹)

Name of the Director	Category	Sitting Fees for Board Meeting	Sitting Fees for Committee Meeting	Commission	Total
Mr. Navin Agarwal	NED	Nil	Nil	Nil	Nil
Mr. Vivek Paranjpe	ID	80,000	60,000	5,00,000	6,40,000
Mr. Praveen Tripathi	ID	80,000	80,000	5,00,000	6,60,000
Ms. Sharda Agarwal	ID	80,000	40,000	5,00,000	6,20,000

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, 2018 are given herein below:-

Name of the Director	Category	No. of Equity Shares held
Mr. Navin Agarwal	NED	70,04,010
Mr. Vivek Paranjpe	ID	Nil
Mr. Praveen Tripathi	ID	Nil
Ms. Sharda Agarwal	ID	Nil

Remuneration to the Executive Directors:

(Amount in ₹)

Name of the Director	Category	Salary and Perquisites
Mr. Motilal Oswal	C&MD	2,40,28,600
Mr. Raamdeo Agarawal	JMD	2,78,92,752
Total		5,19,21,352

CORPORATE GOVERNANCE (Contd.)

Notes:

- 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 bonuses, pension, stock options 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.
7. Attending to complaints of security holders routed by SEBI (SCORES)/Stock Exchanges/RBI or any other Regulatory Authorities. Any other matters that can facilitate better investor services and relations.

Composition, Meetings and Attendance:

During the FY 2017-18, the Committee met six times i.e. on May 12, 2017, June 6, 2017, June 20, 2017, August 16, 2017, November 3, 2017 and March 20, 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. Navin Agarwal	NED	Chairman	6	6
Mr. Motilal Oswal	C&MD	Member	6	6
Mr. Raamdeo Agarawal	JMD	Member	6	6

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 2017-18 are given herein below:

Sr. No.	Nature of Complaint	Pending as on April 1, 2017	Received during the year	Disposed off during the year	Pending as on March 31, 2018
i.	SEBI /Stock Exchange Complaints	–	0	0	–
ii.	Non-receipt of Dividend warrant/Interest	–	7	7	–
iii.	Non-receipt of Share Certificate	–	–	–	–
iv.	Non-receipt of Annual Report	–	–	–	–
v.	Others	–	–	–	–
	Total	–	7	7	–

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, 2018.

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 2017-18, the Committee met twice during the year i.e. on April 27, 2017 and November 4, 2017. 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.

Composition, Meetings and Attendance:

During the FY 2017-18, the Committee met once during the year i.e. on April 27, 2017. The details of the Composition of the Committee, number of meetings held and the attendance of the Members are given herein below:

CORPORATE GOVERNANCE (Contd..)

Name of the Member	Category	Designation in the Committee	No. of Meetings	
			Held	Attended
Mr. Motilal Oswal	C&MD	Chairman	1	1
Mr. Navin Agarwal	NED	Member	1	1
Mr. Ajay Menon	C&MD ⁽¹⁾	Member	1	1
Mr. Shalibhadra Shah (Appointed as Member w.e.f April 27, 2017)	CFO ⁽²⁾	Member	1	1

⁽¹⁾ C&MD: Chairman and Managing Director of Motilal Oswal Securities Limited

⁽²⁾ CFO: Chief Financial Officer

6) Asset Liability Management Committee (ALCO)

In compliance to the provisions of RBI Guidelines, the Company has a duly constituted Asset Liability Management Committee (ALCO Committee).

The terms of reference of the Committee are as follows:

1. Determining the maturity profile of assets and liabilities, mix of incremental assets and liabilities, pricing of deposits and advances, determining the type of funding, monitoring risk levels of the Company, etc.
2. Decision making unit responsible for balance sheet planning from risk return perspective including the strategic management.
3. Ensuring that the Company operates within the limits/parameters set by the Board through business and risk management committee.

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 Agarwal	JMD	Member
Mr. Navin Agarwal	NED	Member
Mr. Ajay Menon	C&MD ⁽¹⁾	Member
Mr. Shalibhadra Shah (Appointed as Member w.e.f April 27, 2017)	CFO ⁽²⁾	Member

⁽¹⁾ C&MD: Chairman and Managing Director of MOSL

⁽²⁾ CFO: Chief Financial Officer

7) ESOP Committee

The terms of reference of the Committee are as follows:

1. Determining the terms of employee stock options which includes number of options to be granted to any employee in the aggregate.
2. Determining terms on which the options would vest.
3. Determining conditions under which options vested in employees may lapse.
4. Determining exercise period within which an employee should exercise the option and lapsing of such option on failure of exercise.
5. Determining right of an employee to exercise all the options vested at one time or at various points of time within the exercise period.
6. Allotment of shares in lieu of exercise of stock options and other related and incidental matters.

Composition:

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

CORPORATE GOVERNANCE (Contd..)

Name of the Member	Category	Designation in the Committee
Mr. Motilal Oswal	C&MD	Chairman
Mr. Raamdeo Agarawal	JMD	Member
Mr. Navin Agarwal (Appointed as Member w.e.f. January 24, 2018)	NED	Member

8) Finance Committee

The terms of reference of the Committee are as follows:

1. Constituted in pursuance of the power of delegation granted to the board in accordance with the provisions of Section 179 of the Act.
2. Authorized to make investment in Share Capital of Body Corporates, Inter Corporate Deposits, units of debts and liquid funds etc.
3. Providing loans to any body corporate/person or give guarantee or provide security in connection to loan.
4. Borrowing monies from banks for meeting working capital requirements, within the overall limit approved by the Board

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	NED	Member

9) Debenture Committee

The terms of reference of the Committee are as follows:

1. Determines and approves the number of the Debentures to be issued, the timing, nature, type, pricing and such other terms and conditions of the Issue including coupon rate etc.
2. Approves Information Memorandum, issue and allotment of Debentures.
3. Approve all other matters relating to the Issue and do all acts, deeds, matters and things including execution of all deeds, documents, instruments, applications and writings as it may be necessary for the issue.
4. Seeking approvals, consents, waiver from any party and to create mortgages, charges, hypothecation or encumbrances on all or any part of the immovable or movable properties, current or fixed assets, tangible or intangible assets, book debts and/or claims of the Company.

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	NED	Member

10) 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:-

CORPORATE GOVERNANCE (Contd..)

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. During the year under review, one such complaint was received by the Company and the same was investigated and resolved as per the provisions of the Sexual Harassment Act. Accordingly, no compliant are pending as on March 31, 2018.

Management Discussion and Analysis

This 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
10 th AGM	August 8, 2015	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai – 400 025.	2.30 p.m.	<ul style="list-style-type: none"> i) To offer or invite subscription to Secured/Unsecured Redeemable Non Convertible Debentures (NCD's) on private placement basis up to ₹ 1000 Crores to be listed on Stock Exchanges ii) Approval to Material Subsidiary, Motilal Oswal Securities Limited for Selling, Leasing and Disposing of its Assets in excess of twenty percent of its total assets, in any financial year
11 th AGM	July 21, 2016	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai – 400 025.	10.30 a.m.	<ul style="list-style-type: none"> i) To offer or invite subscription to Secured/Unsecured Redeemable Non Convertible Debentures (NCD's) on private placement basis up to ₹ 1000 Crores to be listed on Stock Exchanges 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
12 th AGM	July 27, 2017	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai – 400 025.	4.30 p.m.	<ul style="list-style-type: none"> 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

CORPORATE GOVERNANCE (Contd..)

No.	Date	Venue	Time	Special Resolutions passed
				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

Postal Ballot Resolutions

During the FY 2017-18, the approval of the shareholders was sought by way of postal ballot vide notice dated January 10, 2018 in respect of the Special Resolution for Transfer of Lending Business of the Company by way of Slump sale as ‘going concern’ to Wholly Owned Subsidiary.

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 M/s. 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 February 20, 2018 and consolidated results of the said postal ballot were announced and the said results were made available at the Company’s website at http://www.motilaloswalgroup.com/Downloads/IR/1532844838Postalballot_VotingResults.pdf and also placed at the registered office of the Company. The Resolution mentioned above was approved by the shareholders with the requisite majority (99.99% in favour of the Company) on February 19, 2018.

None of the businesses proposed to be transacted at the ensuing AGM require passing of resolution through Postal Ballot.

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 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 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.

CORPORATE GOVERNANCE (Contd..)

General Shareholders' Information

Annual General Meeting Date, Time and Venue	September 27, 2018 at 4.00 p.m. Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400 025.
Financial Year	April 1, 2017 to March 31, 2018
Dividend Payout Date	The final dividend of ₹ 4.50 per Equity share of face value of ₹ 1/- each for the FY 2017-18, subject to approval by the shareholders at the ensuing AGM, will be credited/dispatched within 30 days from the date of ensuing AGM.
Listing on Stock Exchanges	1. BSE 2. NSE The requisite Annual listing fees for FY 2018-19 have been paid in full to BSE and NSE. As on March 31, 2018, there were no Non-Convertible Debentures of the Company.
Stock Code	BSE: 532892 NSE: MOTILALOF5

Market Price Data:

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

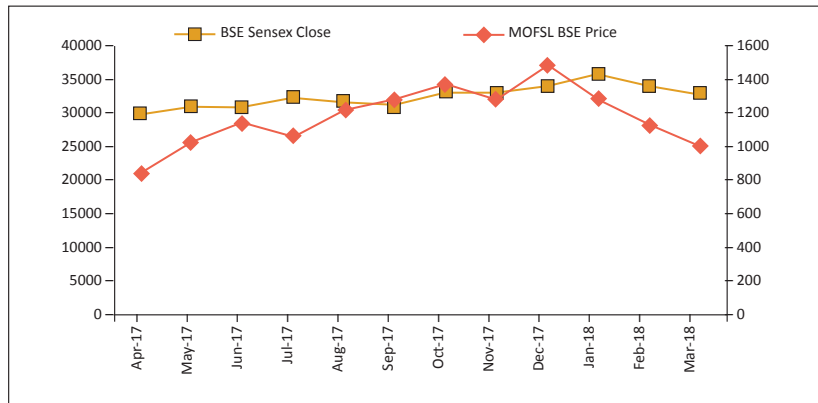
Month	BSE (₹)		NSE (₹)	
	High Price	Low Price	High Price	Low Price
April 2017	890.85	734.10	890.00	729.95
May 2017	1,119.95	826.80	1,122.00	826.00
Jun 2017	1,329.00	1,033.00	1,329.00	1,034.00
July 2017	1,174.95	1,012.00	1,165.70	1,025.25
August 2017	1,243.30	1,043.30	1,245.00	1,042.05
September 2017	1,310.05	1,180.00	1,311.00	1,255.00
October 2017	1,518.85	1,275.00	1,519.40	1,272.25
November 2017	1,469.65	1,244.45	1,472.00	1,278.00
December 2017	1,580.00	1,245.00	1,582.00	1,249.55
January 2018	1,585.00	1,208.00	1,588.40	1,206.00
February 2018	1,325.00	1,093.00	1,325.00	1,086.05
March 2018	1,176.05	988.00	1,177.00	981.10

CORPORATE GOVERNANCE *(Contd..)*

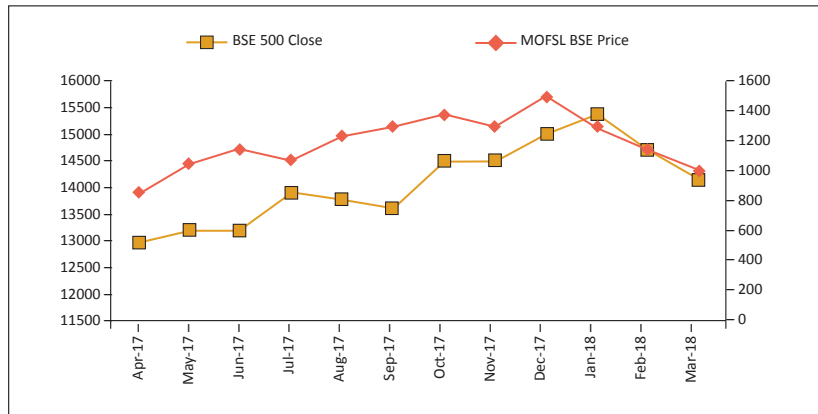
Performance in comparison to broad-based indices such as BSE Sensex, S&P CNX Nifty etc.:

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:-

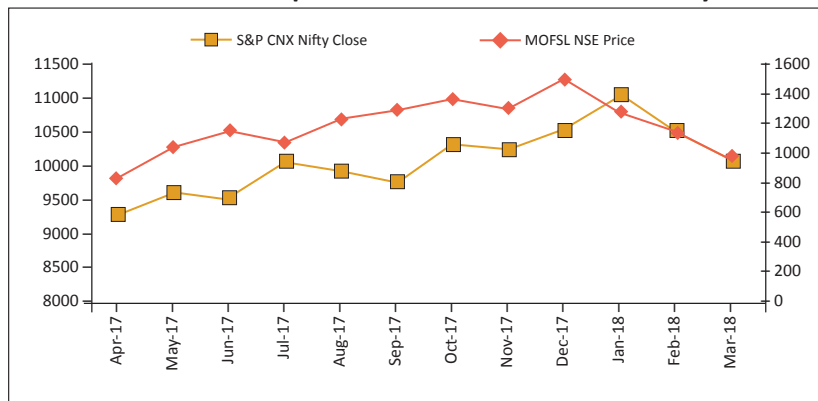
MOFSL Share performance versus BSE Sensex



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 delegate 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, 2018:

Number of Shares held	No. of Shareholders	Total No. of shares held in the category	% to Equity Share Capital
Upto 500	27,982	17,66,137	1.22%
501-1000	697	5,28,587	0.36%
1001-2000	412	5,98,758	0.41%
2001-3000	172	4,35,121	0.30%
3001-4000	78	2,75,887	0.19%
4001 – 5000	67	3,12,690	0.22%
5001 – 10000	130	9,64,078	0.66%
10001 & Above	252	14,02,02,300	96.64%
TOTAL	29,790	14,50,83,558	100.00%

Category wise Shareholding pattern as on March 31, 2018:

Sr. No.	Category	No. of Shares	% to Equity Share Capital
1)	Promoters & promoter group	10,23,53,100	70.55%
2)	Mutual Funds/Financial Institutions / Banks / Foreign Institutional Investors	2,26,35,560	15.60%
3)	NRIs/OCBs	7,30,068	0.50%
4)	Bodies Corporate	10,45,517	0.72%
5)	Public	1,08,15,582	7.46%
6)	Directors	70,04,010	4.82%
7)	Others	4,99,721	0.35%
	TOTAL	14,50,83,558	100.00%

CORPORATE GOVERNANCE *(Contd..)*

Dematerialization of Shares and liquidity	As on March 31, 2018, 14,50,30,222 (99.96%) Equity shares were held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited. 53,336 (0.04%) 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, 2018, 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
Plant Locations	The Company is in the business of providing financial services; 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: +91-22-3980 4200 Fax: +91-22-3312 4997 E-mail: shareholders@motilaloswal.com

Disclosures:

- i) There have been no materially significant Related Party transactions, pecuniary transactions or relationships between the Company and Directors, Management, Subsidiaries or Related parties except those disclosed in the Board's Report and financial statements for the year ended March 31, 2018. Further, the details of the Related Party Transactions are presented in the Notes to Accounts.
- ii) 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.
- iii) 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 http://www.motilaloswalgroup.com/Downloads/IR/1062112783Vigil_Mechanism_Policy.pdf. We affirm that no director/employee of the Company was denied access to the Audit Committee.
- iv) The Company has complied with all the mandatory requirements of the Listing Regulations.
- v) The Company sends half-yearly financial results to the shareholders of the Company
- vi) 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.

vii) **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 20% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. The Company has three Material subsidiaries namely Motilal Oswal Securities Limited (“MOSL”), Aspire Home Finance Corporation Limited (“AHFCL”) and Motilal Oswal Asset Management Company Limited (“MOAMC”) as on March 31, 2018. The debentures of MOSL and AHFCL are listed on BSE and units of mutual funds of MOAMC are listed on NSE and BSE.

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 <http://www.motilaloswalgroup.com/Downloads/IR/SUBSIDIARIES.pdf>

viii) **Related Party Transactions**

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

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 http://www.motilaloswalgroup.com/Downloads/IR/751752562Policy_Materiality.pdf

ix) **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.

x) **Code of Conduct**

The Board has laid down the Code of Conduct for its Directors and for designated Senior Management Personnel of the Company. The Code has been posted on the Company’s website at <http://www.motilaloswalgroup.com/Downloads/IR/MOFSL%20Code%20of%20Conduct.pdf>

All Board Members and Senior Management Personnel 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.

xi) **Disclosure of Accounting Treatment in Preparation of Financial Statements**

The Company has followed the Guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (“ICAI”) in preparation of its financial statements.

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 and 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 financial year 2017-18.

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

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

Place : Mumbai
Date : August 21, 2018

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, 2018 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 there were no 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 : August 21, 2018

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 27 September 2017.
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 2018, 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 2018.

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 Chandiook & Co LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

Sudhir N. Pillai

Partner

Membership No.: 105782

Place: Mumbai

Date: 21 August 2018

BUSINESS RESPONSIBILITY REPORT

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.

The Company along with its subsidiaries, offers a diversified range of financial products and services such as Loan against shares, Investment activities, Private wealth management, Broking and distribution, Asset management business, Housing finance, Institutional equities, Private equity and Investment banking.

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, 2017 to March 31, 2018
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code: 6492 - Engaged in providing non-banking financial services
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	The Company is engaged in lending and investment related activities. Further, the through it’s subsidiaries offers a diversified range of financial product and services, Broking & Distribution, Asset Management and Home Finance Loans
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: MOFSL provide loans to its clients located across the nation.
10.	Markets served by the Company	National

Section B: Financial details of the Company:

Sr. No.	Particulars	Company Information
1.	Paid up Capital (INR)	14,50,83,558
2.	Total Turnover (INR)	12,72,73,50,703
3.	Total profit after taxes (INR)	3,23,39,58,895
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.

BUSINESS RESPONSIBILITY REPORT (Contd..)

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 6 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 18 Subsidiary Companies as on March 31, 2018. 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 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 policies of the Company.

Sr. No.	DIN	Name	Designation
1.	00024503	Mr. Motilal Oswal	Chairman and Managing Director
2.	06911441	Mr. Sudhir Dhar	Group Head - Human Resources & Administration

(b) Details of the BR head

Sr. No.	Particulars	Details
1.	DIN	06911441
2.	Name	Mr. Sudhir Dhar
3.	Designation	Group Head - Human Resources & Administration
4.	Telephone Number	022 3980 4200
5.	E-mail ID	chrosoffice@motilalosal.com

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.motilalosalgroup.com								

BUSINESS RESPONSIBILITY REPORT *(Contd..)*

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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 <http://www.motilaloswalgroup.com/Investor-Relations/> and the said hyperlink has been provided in the Annual Report. 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 an 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 and code of conduct of the Company is uploaded on the website at http://www.motiloswalgroup.com/Downloads/IR/1062112783Vigil_Mechanism_Policy.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.

- 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.

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, 2018 at group level were 4622.

BUSINESS RESPONSIBILITY REPORT *(Contd..)*

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

The total numbers of employees hired on temporary / contractual / casual basis at group level were 250.

3. Please indicate the Number of permanent women employees:

The total number of women employees as on March 31, 2018 at group level were 939.

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

Nil

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, at group level, 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: 62% of our permanent employees (at group level, 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: 66% of our women employees (at group level, except employees who were on long medical leave) have undergone the training.
- (c) Casual/Temporary/Contractual Employees: 85% of Casual/Temporary/Contractual employees have undergone the training.
- (d) Employees with Disabilities: There are no employees with Disabilities.

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.

The Company has taken steps to ensure that the organization becomes a paperless organization. As a first step, an application has been developed by the internal IT team namely iBoard application wherein all the papers related to Board/Committee meetings are now provided through electronic mode to the Directors.

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

Yes, the Company's CSR committee in its meetings, 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 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 702 Lakhs at group level in the Financial Year ("FY") 2017-18 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 52 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.

There are no customer/consumer cases pending as on March 31, 2018.

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

The Company is a Non-Banking Financial Company as on March 31, 2018 and hence this is not applicable.

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 FY 2017-18.

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 : August 21, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Motilal Oswal Financial Services Limited

Report on the Standalone Financial Statements

1. This Report is issued in supersession of our earlier report dated 21 May 2018.
2. 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 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, refer paragraph 10 below.

Management's Responsibility for the Standalone Financial Statements

3. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these standalone financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

4. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
5. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
6. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.
7. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.
8. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

Opinion

9. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

10. We draw attention to Note 2(o) of the accompanying standalone financial statements which describes that the standalone financial statements of the Company for the year ended 31 March 2018, approved by the Board of Directors in its meeting held on 21 May 2018, have been revised prior to placing of these in the Annual General Meeting for consideration by the shareholders, so as to give effect to the scheme of amalgamation entered between the Company, Motilal Oswal Securities Limited (wholly owned subsidiary) and their respective shareholders ('the Scheme'). The Scheme was approved by the Honourable National Company Law Tribunal, Mumbai Bench ('NCLT') vide its order dated 30 July 2018, which was filed by the Company with the Registrar of Companies on 21 August 2018 and has an appointed date of 1 April 2017, which has been given effect to as decided

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

by the Board of Directors. These financial statements have now been approved by the Board of Directors on 21 August 2018 and our report dated 21 May 2018, stands updated only to the extent of giving effect to the referred Scheme. Further, our audit procedures on the subsequent events for the period 21 May 2018 to 21 August 2018 are restricted solely to such amendment of the accompanying standalone financial statements. Our opinion is not modified in respect of this matter.

Other Matter

11. The standalone financial statements of the Company and the wholly owned subsidiary for the year ended 31 March 2017 were audited by predecessor auditor of the Company, whose report dated 27 April 2017, expressed an unmodified opinion on those statements. Our audit report is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

12. 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.
13. 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 the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - 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 2018 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 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 21 August 2018 as per Annexure II expressed unmodified opinion; and
 - 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 30(d) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - 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 : 21 August 2018

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

Annexure I 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 2018

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 property, plant and equipment.
- (b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets 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 is a non-banking finance company, primarily engaged in the business of lending and does not hold any inventories. Accordingly, the provisions of clause 3(ii) of the Order are not applicable and;
- The Transferor 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 has been stipulated wherein the principal amounts are repayable on demand and since the repayment of such loans has not been demanded, in our opinion, repayment of the principal is regular; and the schedule of payment of interest has been stipulated and the receipts of 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 complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the provisions of the section 73 to 76 of the Act are not applicable to the Company being an NBFC and also the Company has not accepted any deposits from public within the meaning of sections 73 to 76 of the Act. Accordingly, the provisions of clause 3(v) of the Order are not applicable and;
- The Transferor 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. Further, no undisputed amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they became payable.

The Transferor Company's undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and service tax, service tax, duty of customs, duty of excise, value added 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 thereof, 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 the Statute	Nature of the dues	Amount (₹ In Lakhs)	Period to which amount related	Due date	Date of Payment
Indian Stamp Act, 1899	Stamp Duty	104	Financial Year 2016-17	Not available, as stamp duty is collected in states where payment and levy mechanism is not defined	Not paid as on 18 May 2018
Indian Stamp Act, 1899	Stamp Duty	150	Financial Year 2017-18		

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

- (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:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	17	7	Assessment year 2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	13	–	Assessment year 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	28	–	Assessment year 2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	15	15	Assessment year 2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	65	65	Assessment year 2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	87	33	Assessment year 2011-12	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	26	–	Assessment year 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	95	5	Assessment year 2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	143	9	Assessment year 2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	774	92	Assessment year 2015-16	Commissioner of Income Tax (Appeals)

The Transferor Company's dues outstanding in respect of income-tax, sales-tax, goods and service tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Amount paid under Protest (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	48	370	Assessment Year 2007-08	High Court
Income Tax Act, 1961	Income tax	152	200	Assessment Year 2008-09	High Court
Income Tax Act, 1961	Income tax	24	102	Assessment Year 2009-10	High Court
Income Tax Act, 1961	Income tax	15	–	Assessment Year 2010-11	High Court
Income Tax Act, 1961	Income tax	19	–	Assessment Year 2011-12	High Court
Income Tax Act, 1961	Income tax	88	20	Assessment Year 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	39	–	Assessment Year 2013-14	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	1,725	100	Assessment Year 2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	16	–	Assessment Year 2015-16	Deputy 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.

The Transferor 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, though surplus funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.

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

- (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 required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and such registration has been obtained by the company; and
- (xvii) The Transferor 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 Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai

Partner

Membership No.: 105782

Place: Mumbai

Date : 21 August 2018

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 2018

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. This Report is issued in supersession of our earlier report dated 21 May 2018.
2. 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 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company, refer paragraph 9 below.

Management's Responsibility for Internal Financial Controls

3. 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

4. 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 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 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.
5. 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 standalone financial statements, whether due to fraud or error.
6. 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

7. A Company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

8. 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.

Emphasis of Matter

9. We draw attention to Note 2(o) of the accompanying standalone financial statements which describes that the standalone financial statements of the Company for the year ended 31 March 2018, approved by the Board of Directors in its meeting held on 21 May 2018, have been revised prior to placing of these in the Annual General Meeting for consideration by the shareholders, so as to give effect to the scheme of amalgamation entered between the Company, Motilal Oswal Securities Limited (wholly owned subsidiary) and their respective shareholders ('the Scheme'). The Scheme was approved by the Honourable National Company Law Tribunal, Mumbai Bench ('NCLT') vide its order dated 30 July 2018, which was filed by the Company with the Registrar of Companies on 21 August 2018 and has an appointed date of 1 April 2017, which has been given effect to as decided by the Board of Directors. These financial statements have now been approved by the Board of Directors on 21 August 2018 and our report dated 21 May 2018, stands updated only to the extent of giving effect to the referred Scheme. Further, our audit procedures on the subsequent events for the period 21 May 2018 to 21 August 2018 are restricted solely to such amendment of the accompanying standalone financial statements. Our opinion is not modified in respect of this matter.

Opinion

10. 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 2018, 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 : 21 August 2018

BALANCE SHEET

Particulars	Note No.	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
I EQUITY AND LIABILITIES			
1. Shareholder's funds			
(a) Share capital	3	1,451	1,445
(b) Reserves and surplus	4	1,78,301	65,473
		1,79,752	66,918
2. Non-current liabilities			
(a) Long-term borrowings	5	20,000	10,000
(b) Deferred tax liabilities (net)	6	494	427
(c) Other long-term liabilities	7	1,192	981
(d) Long-term provision	8	765	24
		22,451	11,432
3. Current liabilities			
(a) Short-term borrowings	9	1,02,826	25,759
(b) Trade payables	10		
– total outstanding dues of micro enterprises and small enterprises		–	–
– total outstanding dues of creditors other than micro enterprises and small enterprises		97,608	–
(c) Other current liabilities	11	46,398	11,562
(d) Short-term provisions	12	10,778	253
		2,57,610	37,574
		4,59,813	1,15,924
II ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Property, plant and equipment	13	26,399	13,763
(ii) Intangible assets	13	1,085	2
(b) Non current investments	14(a)	2,16,165	57,841
(c) Long-term loans and advances	15	3,540	1,599
(d) Other non-current assets	16	220	
		2,47,409	73,205
2. Current assets			
(a) Current investments	14(b)	28,000	8,000
(b) Inventories	17	26	–
(c) Trade receivables	18	73,120	–
(d) Cash and bank balances	19	23,218	663
(e) Short-term loans and advances	20	86,576	33,799
(f) Other current assets	21	1,464	257
		2,12,404	42,719
		4,59,813	1,15,924

Significant accounting policies and other explanatory information 1-56

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

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

Sudhir N. Pillai

Partner

Membership Number: 105782

Place : Mumbai

Date : 21st August, 2018

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 : 21st August, 2018

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-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
A. CONTINUING OPERATIONS			
REVENUE			
(a) Income from operations	22	1,26,906	13,175
(b) Other income	23	368	90
Total revenue		1,27,274	13,265
EXPENSES			
(a) Employee benefits expense	24	27,603	48
(b) Finance cost	25	9,288	488
(c) Depreciation and amortization expenses	26	2,942	692
(d) Operating expenses	27	33,364	123
(e) Other expenses	28	12,587	371
Total expenses		85,784	1,723
Profit before exceptional item and tax		41,490	11,542
Exceptional items	29	–	(2,788)
Profit before tax from continuing operations		41,490	8,754
Tax expense			
(a) Current tax		8,590	727
(b) Deferred tax		(817)	355
(c) Minimum alternate tax credit entitlement		530	(791)
(d) (Excess)/ short provision for earlier years		267	(286)
		8,570	4
Profit after tax from continuing operations		32,920	8,749
Loss from discontinuing operating before tax		(892)	(183)
Tax on discontinuing operating		(312)	(64)
Loss from discontinuing operating after tax		(580)	(119)
Profit after tax from operations		32,340	8,630
Earnings per equity share [Face value of ₹ 1 (previous year ₹ 1) per equity share]	29		
Basic (Amount in ₹)		22.35	6.03
Diluted (Amount in ₹)		21.99	5.94
Significant accounting policies and other explanatory information	1-56		

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

For Walker Chandio & 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

Ramdeo Agarawal
Joint Managing Director
DIN : 00024533

Shalibhadra Shah
Chief Financial Officer

Kailash Purohit
Company Secretary

Place : Mumbai
Date : 21st August, 2018

Place : Mumbai
Date : 21st August, 2018

CASH FLOW STATEMENT

Particulars	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	40,598	8,571
Adjustment for:		
Employee stock option scheme cost	2,710	–
Interest income	(3,470)	(4,369)
Interest expense	12,124	3,638
Depreciation and amortisation	2,944	694
Dividend income	(5,569)	(4,853)
Profit on sale of investment	(15,677)	(6,420)
Impairment of non-current investments	687	102
Bad debts written off	186	2,917
Provision on standard and doubtful assets	646	56
Interest received on fixed deposits	(4)	(4)
Profit on sale of fixed assets	(10)	–
Gain on partnership firm	(1,111)	–
Gratuity, compensated absences and other long term benefits	360	9
Leave Salary	36	–
Operating profit	34,450	341
Adjustment for working capital changes		
1) Increase/(decrease) in other Long-term provision	(69)	(3)
2) Increase/(decrease) in other current liabilities	11,796	180
3) Increase/(decrease) in Short-term provision	4,710	(870)
4) Increase/(decrease) in other Long-term liabilities	428	297
5) Increase/(decrease) in trade payables	25,700	–
6) (Increase)/decrease in Long-term loans and advances	(354)	(244)
7) (Increase)/decrease in Short-term loans and advances	(60,690)	(250)
8) (Increase)/decrease in receivables under financing activities	3,789	(9,799)
9) (Increase)/decrease in other current assets	64	(36)
10) (Increase)/decrease in other non-current assets	30	–
11) (Increase)/decrease in trade receivables	20,716	–
12) (Increase)/decrease in inventories	(9)	–
11) (Increase)/decrease in fixed deposits	3,826	–
Cash used in operations before adjustments for interest received, interest paid and dividend received		
Interest paid	(3,395)	(3,144)
Interest received	3,455	4,313
Dividend received	5,521	4,853
Cash generated/(used) from operations	49,968	(4,363)
Direct taxes paid net	(7,910)	(512)
Net cash generated/(used) from operating activities	42,058	(4,875)

CASH FLOW STATEMENT (Contd..)

Particulars	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
B. CASH FLOW FROM INVESTING ACTIVITIES		
Sale of investments	1,28,331	14,037
Purchase of investments	(1,53,694)	(22,860)
Sale of investment in subsidiary company	–	1,063
Purchase of equity shares in subsidiary company	(6,500)	(2,800)
Purchase of fixed assets	(3,032)	(25)
Sale of fixed assets	51	–
Interest received on fixed deposits	4	4
Dividend Income	48	–
Interest received from loans	8	–
Net cash generated/(used) from investing activities	(34,784)	(10,581)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issued of equity shares	6	23
Premium on issue of equity shares	1,876	3,234
Dividend paid (including dividend distribution tax)	(11,095)	(4,319)
Proceeds of long-term borrowings	–	10,000
(Repayment) of long-term borrowings	(10,000)	(5,000)
Proceeds / (repayment) of short-term borrowings	(3,930)	953
Interest expense	(8,123)	–
Bank overdraft (net of repayment)	5,143	–
Loans and advances from related parties	1,650	–
Repayment of loans to related parties	(1,650)	–
Loan from Non Banking Financial Companies	5,000	–
Proceeds from issuance of non convertible debentures	15,000	–
Commercial paper issued	5,32,000	–
Commercial paper redeemed	(5,27,257)	–
Net cash generated/(used) from financing activities	(1,380)	4,891
Net increase/(decrease) in cash and cash equivalents during the year	5,894	(10,564)
Cash and cash equivalents as at beginning of the year		
Cash in hand	2	1
Cheque on hand	173	10,781
Scheduled bank - in current account	423	380
Cash and cash equivalents acquired through merger		
Cash in hand	27	–
Scheduled bank - in current account	11,617	–
Fixed deposit with banks (maturity within 3 months)	180	–
Total	12,422	11,162

CASH FLOW STATEMENT (Contd..)

Particulars	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
Cash and cash equivalents as at end of the year :		
Cash in hand	28	2
Cheque on hand	–	173
Scheduled bank - in current account	18,048	423
Fixed Deposit with Banks (lien with stock exchange)	240	–
Total	18,316	598
Reconciliation of cash and cash equivalents as above with cash and bank balances (also refer note no. 15)		
Cash and cash equivalents as at end of the year as per above	18,316	598
Add:- Fixed deposit with banks (with original maturity more than 3 months)	4,880	50
Add:- Unpaid dividend account	22	15
Total cash and bank balances equivalents as at end of the year	23,218	663

Notes :

- (i) The above cash flow statement has been prepared under indirect method as set out in Accounting Standard 3, 'Cash Flow Statements', as specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Account) Rules, 2014 (as amended).
- (ii) Figures in brackets indicate cash outflows.
- (iii) Of the above, net inflow/(outflow) of ₹(508) lakhs and ₹ 87 lakhs for the year ended 31 March 2018 and 31 March 2017 respectively has been considered under discontinuing operations (Refer note 56).

Significant accounting policies and other explanatory information

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 : 21st August, 2018

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 : 21st August, 2018

Raamdeo Agarawal

Joint Managing Director

DIN : 00024533

Kailash Purohit

Company Secretary

NOTES TO FINANCIAL STATEMENT

Summary of Significant Accounting Policies and Other Explanatory Information

1. Background

Motilal Oswal Financial Services Limited (“MOFSL” or ‘the Company’) is a Non-Banking Financial Company registered with the Reserve Bank of India (“RBI”) under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in lending and related activities. The Company received the Certificate of Registration from the RBI on 05 April 2006, enabling the Company to carry on business as a Non-Banking Finance Company (NBFC).

Motilal Oswal Securities Limited (“Transferor Company”) is a member of BSE Limited, National Stock Exchange of India Limited, Multi Commodity Exchange of India Ltd. and National Commodity and Derivatives Exchange Limited and 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. It is registered with SEBI in capacity of Research Analyst and Investment Advisor and with various other Authorities like AMFI, CERSAI, KRA Agencies (CVL, Dotex, NDML, CAMS and Karvy) and UIDAI.

In accordance with the provisions of section 45-IC of the RBI Act, 1934, the Company has created a Reserve Fund and every year transfers an amount equal to 20% of the profit after tax to the Reserve Fund.

Basis of preparation of financial statements

The financial statements of the Company have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (‘the Act’), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other accounting principles generally accepted in India to the extent applicable.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of business the Company has ascertained its operating cycle as twelve months for the purpose of current and non - current classification of assets and liabilities.

2. Significant accounting policies

(a) Use of estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management’s evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any revision to accounting estimates are recognised prospectively in the current and future periods.

(b) Property, plant and equipment (PPE)

PPE are stated at the cost of acquisition less accumulated depreciation and impairment thereon. The cost of acquisition includes purchase cost, taxes (other than those subsequently recoverable from the tax authorities), duties, freight and other incidental costs which relate to the acquisition of PPE and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation

Depreciation is based on the cost of the PPE less its residual value as notified in Schedule II of the Act. Residual value, useful life and methods of depreciation are reviewed at each year and adjusted. In case of addition, depreciation is provided pro-rata for entire month in which addition is made and in case of deletions, depreciation is provided till month preceding month of disposal of such assets. Gains/Losses arising from derecognition of PPE are measured at the difference of net disposal proceeds and the carrying amount of the assets and recognised in the Statement of Profit and Loss when the asset is derecognised. On all assets, except as mentioned below, depreciation is provided on written down basis as per the useful lives specified in Schedule II to the Act.

Leasehold improvements are depreciated over the initial period of lease on straight line basis. Cars given to employees are depreciated over the useful live of 3 years on written down value basis.

(c) Borrowing cost

General and specific borrowing cost directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take substantial period of time to get ready for their intended use or sale are added to the

NOTES TO FINANCIAL STATEMENT *(Contd..)*

cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

(d) Intangible assets and amortisation expense

Expenses incurred on computer software having enduring benefits are capitalized and amortized on Straight Line Method (SLM) basis over a period of five years with zero scrap value.

(e) Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If such an indication exists, the Company estimates the recoverable amount of the asset. 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. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

(f) Investments

Transactions for purchase and sale of investments are recorded as at the trade date.

Investments are classified into long term investments and current investments. Investments that are intended to be held for one year or more are classified as long-term investments and investments that are readily realizable and are intended to be held for less than one year are classified as current investments.

Long-term investments are valued at cost and a provision is made to recognize any diminution in value, other than temporary, determined separately for each investment.

Current investments are valued at cost or market/fair value, whichever is lower. The comparison of cost and market/ fair value is done separately in respect of each individual class of investment. In case of investment in units of mutual funds, the net asset value of units declared by the mutual fund is considered as the market/fair value. However, unquoted investments in the units of mutual funds in the nature of current investments shall be valued at the net asset value declared by the mutual fund in respect of each particular scheme.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

(g) Investment Property

An investment in Land and Building which is not intended to occupy substantially for use by, or in the operation of the company, is classified as investment property. Investment properties are stated at cost of acquisition less accumulated depreciation and impairment thereon.

Depreciation on building component of investment property has been provided based on Written Down Value method using the useful life as specified in Schedule II to the Companies Act, 2013.

(h) Inventories

Shares are valued at cost or net realizable value, whichever is lower. The comparison of cost and market value is done separately for each category of shares. Cost is considered on weighted average basis.

Units of mutual funds are valued at cost or market value, whichever is lower. Net asset value of units declared by mutual funds is considered as market value for non-exchange traded mutual funds.

(i) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company, the revenue can be reliably measured and there exists reasonable certainty of its recovery.

– Brokerage and Commission income

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

– Research and advisory fees income

It is accounted for on an accrual basis in accordance with the terms and contracts entered into between the Company and the counterparty.

– **Portfolio management commission**

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

– **Interest and dividend income**

Interest Income is recognised on the time proportionate basis starting from the date of disbursement of loan. In case of Non-Performing Assets, interest income is recognised on receipt basis, as per NBFC Prudential norms.

Dividend income is recognised when the shareholders' right to receive payment is established by the balance sheet date. Dividend from the units of mutual funds is recognised on receipt basis in accordance with the NBFC Regulation.

– **Income from investments in private equity fund**

Income from investment in private equity funds ("the fund") is booked as and when the same is distributed by the fund. Return of capital contribution is reduced from the original cost of investment.

– **Income from arbitrage and trading in securities and derivatives**

comprises profit/loss on sale determined based on the weighted average cost of the securities/currency sold.

– **Depository income** is recognised on accrual basis.

– **Profit or loss on sale of investments**

The gains/ losses on sale of other investments are recognised in the Statement of Profit and Loss on the trade date. Profit or loss on sale of investments is determined on weighted average cost basis.

– **Other income**

Any other source of income is accounted by the Company on accrual basis.

(j) Foreign currency transactions

- i. Initial recognition - transactions denominated in foreign currencies are recorded at the rates of exchange prevailing on the date of the transaction.
- ii. Conversion - monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing on the date of the Balance sheet.
- iii. Exchange differences - all exchange differences arising on settlement / conversion on foreign currency transactions are included in the Statement of Profit and Loss in the year in which they arise.

(k) Employee benefits

Short-term employment benefits

Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered.

Post-employment benefits

Defined contribution plan:

Contribution 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 recognised immediately in the Statement of Profit and Loss.

Other long-term benefits

Other long-term benefits consist of heritage club benefits, which 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.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Compensated absences

As per the policy of Company, an employee can carry forward maximum 10 days of leave to next financial year. No leave is allowed to be encashed. An obligation arises as employees render service that increase their entitlement to future compensated absences. 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.

Ex-gratia (bonus)

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.

Employees stock option expenses

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 vest on the satisfaction of vesting conditions. The options may be exercised within specified period. Measurement and disclosure of Employee Share-based Payment Plan is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by The Institute of Chartered Accountants of India. The Company follows the fair value method to account for its stock based employee compensation plans, till last year the Company used to follow intrinsic value method.

(l) Operating leases

Lease where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases.

Where the Company is lessee

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term in accordance with Accounting Standard 19 on 'Leases' as notified under the Rule 7 of the Companies (Accounts) Rules, 2014.

Where the Company is lessor

Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss.

(m) Taxation

Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the applicable provisions of the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

Current tax

Provision for current tax is made on the basis of estimated taxable income of the accounting year in accordance with the Income Tax Act, 1961. In case of matters under appeal due to disallowance or otherwise, full provision is made when the said liabilities are accepted by the Company.

Minimum alternate tax

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax

The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed

NOTES TO FINANCIAL STATEMENT *(Contd..)*

depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realization of the assets. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized. The carrying amounts of deferred tax asset are review at each reporting date. The company writes down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(n) Earnings per share

Basic earnings per share is computed by dividing net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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.

(o) Sign on bonus

Sign on bonus paid to the employees is accounted under the other current asset in the Balance sheet and debited to Statement of Profit and Loss over the period of minimum employment as agreed.

(p) Provisions and contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions (excluding post-employment benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

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

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

(q) Classification and provisioning of loan portfolio

Loans towards financing activities are classified under four categories i.e. (i) Standard assets (ii) Sub- Standard assets (iii) Doubtful assets and (iv) Loss assets in accordance with RBI Guidelines.

Provision for standard assets is made on the basis of prudential norms prescribed for NBFC's by Reserve Bank of India. Non-Performing assets are identified by periodic appraisals of the portfolio by management and appropriate provisions are made based on the management's assessment of the degree of impairment of the loan asset and the level of provisioning required as per the prudential norms prescribed for NBFC's by Reserve Bank of India.

(r) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investment with original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(s) Revised financial statements after approval of scheme of merger

The standalone financial statements of the Company for the year ended 31 March 2018 were earlier approved by the Board of Directors at its meeting held on 21 May 2018 and reported upon by the statutory auditors vide their report dated 21 May 2018. The said standalone financial statement did not include the effect of the scheme of merger ('Scheme') of Motilal Oswal Securities Limited ("Transferor Company") with Motilal Oswal Financial Services Limited ("Transferee Company") and their respective shareholders [together referred to as 'merged entities'], which was then approved by the Honourable National Company Law Tribunal, Mumbai Bench ('NCLT') vide its order dated 30 July 2018 and filed with Registrar of Companies on 21 August 2018, with effect from appointed date, 1 April 2017 for the merger. As a result, the aforesaid standalone financial statements have been revised by the Company so as to give effect to the said scheme of merger. Further, the subsequent events in so far as it relates to the revision to the standalone financial statements are restricted solely to the

NOTES TO FINANCIAL STATEMENT *(Contd..)*

aforesaid matter relating to the Scheme and no effect have been given for any other events, if any, occurring after 21 May 2018 (being the date on which the standalone financial statements were first approved by the Board of Directors of the Company).

Due to the merger of Transferor Company with the Transferee Company from appointed date of 1 April 2017, the figures of the current year will not be comparable to the corresponding figures of the previous year.

Scheme of merger

On 4 November 2017 the board of directors of the Company had approved the Scheme of Merger of its wholly owned subsidiary, namely, Motilal Oswal Securities Limited (“MOSL”) in the Company, with effect from 1 April 2017 (being the appointed date for merger). This Scheme has been approved by the Honorable NCLT, Mumbai Bench on 30 July 2018 and the Company has incorporated the accounting effects in its books of accounts as per the accounting treatment prescribed in the Scheme which is in compliance and accordance with the accounting standards applicable to the Company as of the appointed date of the Scheme. Further, the following accounting treatment has been given in the financial statement:

- The Transferor Company is wholly owned by the Transferee Company and therefore no shares have been issued to the Transferee Company as consideration for the merger of the Transferor Company with the Transferee Company.
- The Transferee Company has accounted for the merger of the Transferor Company in its books of account with effect from the Appointed Date of 01 April 2017.
- The merger of the Transferor Company has been accounted for in the books of account of the Transferee Company in accordance with “Pooling of Interests Method” as per the Accounting Standard (AS) 14, ‘Accounting for Mergers’ as prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- All assets and liabilities and reserves (whether capital or revenue or arising on revaluation), of the Transferor Company transferred to the Transferee Company under the Scheme has been recorded in the books of account of the Transferee Company at their existing carrying amounts and in the same form as recorded in the books of account of the Transferor Company.
- The balance in the reserves and surplus account of the Transferor Company has been transferred to the corresponding reserves in the Transferee Company. In other words, identity of reserves of Transferor Company has been preserved and is appearing in the financial statements of the Transferee Company in the same form in which they appeared in the financial statements of the Transferor Company.
- The balance of the profit and loss account of the Transferor Company shall be aggregated with the balance of the profit and loss account of the Transferee Company.
- The difference between the share capital of the Transferor Company and the value of investment in the Transferor Company by the Transferee Company has been adjusted accordingly in the reserves of the Transferee Company.
- In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date was quantified and adjusted in accordance with Accounting Standard (AS) 5 ‘Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies’, in the books of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.
- All inter-corporate deposits, loans, investments and advances, outstanding balances or other obligations between the Transferor Company and the Transferee Company has been eliminated and there shall be no further obligation/outstanding in this behalf.

Slump sale of lending business

The Board vide resolution passed by circulation on 10 January 2018 has made partial modification to resolution dated 4 November 2017, so as to transfer the Company’s lending business to existing wholly owned subsidiary of the Company, namely, Motilal Oswal Capital Markets Limited (“MOCML”). The Company has transferred the lending business by way of a slump sale on a going concern basis to MOCML as contemplated in the Business Transfer Agreement (“BTA”) dated 20 August 2018 for a consideration of ₹ 5,000 lakhs (subject to usual post completion adjustments). The lending operations has been disclosed as discontinuing operations in note 56.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Summary of Significant Accounting Policies and Other Explanatory Information

Note 3 : Share Capital

	As at 31-Mar-18		As at 31-Mar-17	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
AUTHORISED				
Equity shares, of ₹ 1 (Previous year ₹ 1 each)	87,00,00,000	8,700	87,00,00,000	8,700
Preference shares of ₹ 100 (Previous year ₹ 100 each)	50,00,000	5,000	50,00,000	5,000
	87,50,00,000	13,700	87,50,00,000	13,700
ISSUED, SUBSCRIBED AND PAID UP				
Equity shares of Re.1 each fully paid up (Previous year ₹ 1 each)	14,50,83,558	1,451	14,44,57,476	1,445
Of the above, 7,77,34,132 shares (Previous year 7,67,92,394) held by holding company Passionate Investment Management Private Limited				
	14,50,83,558	1,451	14,44,57,476	1,445

3.1 Terms/rights attached to shares

Equity shares :

The Company has only one class of equity shares having a par value of Re.1 each (Previous year: Re.1 each).

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. Each equity share has the same right of dividend.

During the year ended 31 March 2018, dividend recognized as distribution to equity shareholders was ₹ 7 per share consisting of final dividend of ₹ 3 per share for previous year ended 31 March 2017 and interim dividend of ₹ 4 per share for year ended 31 March 2018. The total dividend appropriated amounts to ₹ 10,129 lakhs (Previous Year: ₹ 3,588 lakhs) and dividend distribution tax of ₹ 966 lakhs (Previous year: ₹ 730 lakhs).

The Board of Directors at their meeting held on 21 May 2018, proposed a final dividend of ₹ 4.50 per share for year ended 31 March 2018, subject to the approval of the members at the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance Sheet date' as notified by Ministry of Corporate Affairs through amendments to Companies Accounting Standard (Amendment) Rules, 2016, dated 30 March 2016, the Company has not accounted for proposed dividend as a liability as at 31 March 2018. If approved the total liability arising to the Company would be ₹ 7,871 lakhs including dividend distribution tax (previous year ₹ 5,224 lakhs).

In the event of liquidation of Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

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 2018 and 31 March 2017.

3.2 Reconciliation of number of shares outstanding

	As at 31-Mar-18		As at 31-Mar-17	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
At beginning of the year	14,44,57,476	1,445	14,21,74,075	1,422
Add: shares issued on exercise of employee stock options	6,26,082	6	22,83,401	23
At the end of the year	14,50,83,558	1,451	14,44,57,476	1,445

NOTES TO FINANCIAL STATEMENT *(Contd..)*

3.3 Shares held by holding Company

	As at 31-Mar-18		As at 31-Mar-17	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Passionate Investment Management Private Limited	7,77,34,132	777	7,67,92,394	768

3.4 Shareholders having more than 5% equity share holding in the Company

Name of shareholder	As at 31-Mar-18		As at 31-Mar-17	
	No. of shares	% of Holding	No. of shares	% of Holding
Passionate Investment Management Private Limited	7,77,34,132	53.58	7,67,92,394	53.16
Mr. Motilal Oswal	1,16,39,607	8.02	1,21,10,476	8.38
Mr. Raamdeo Agarawal	1,12,55,131	7.76	1,17,27,100	8.12
Mr. Navin Agarwal	70,04,010	4.83	78,04,010	5.40

3.5 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	For the year ended				
	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14
Equity shares bought back	-	-	-	2,756	70,69,945

Refer note no.51 for disclosure relating to Employee Stock Option Purchase Plan

Note 4 : Reserves and Surplus

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
a) Capital redemption reserve		
Balance at the beginning of the year	71	71
Add: Addition during the year	-	-
Balance as at end of the year	71	71
b) Capital Reserve		
Balance at the beginning of the year	-	-
Opening balance of transferor company	14	-
Add: Transferred from Profit and Loss account	-	-
Balance as at end of the year	14	-
c) Securities premium account		
Balance at the beginning of the year	46,299	43,064
Addition during the year on account of share issue	1,875	3,235
Add: Transfer from employee stock option reserve	591	-
Balance as at end of the year	48,765	46,299
d) Share option outstanding amount		
Balance at the beginning of the year	-	-
Addition during the year	2,709	-
Less: Transfer to Securities Premium amount	(591)	-
Balance as at end of the year	2,118	-
e) Statutory reserve (under Sec 451C of RBI Act, 1934)		
Balance at the beginning of the year	9,530	7,804
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

NOTES TO FINANCIAL STATEMENT *(Contd..)*

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
f) General reserve		
Balance at the beginning of the year	2,654	2,654
Opening balance of transferor company	3,270	–
Add: Addition during the year	–	–
Less: Transfer to Debenture redemption reserve	(1,473)	–
Less: Adjusted impact of merger	(31)	–
Balance as at end of the year	4,420	2,654
g) Debenture Redemption Reserve		
Balance at the beginning of the year	–	–
Opening balance of transferor company	85	–
Add: Addition during the year	1,473	–
Balance as at end of the year	1,558	–
h) Surplus in the statement of profit and loss		
Balance at the beginning of the year	6,920	4,334
Opening balance of transferor company	83,661	–
Add: Net profit for the year	32,339	8,630
Less: Appropriations transfer to statutory reserve	(2,594)	(1,726)
Less: Interim dividend	(5,789)	(3,588)
Less: Distribution tax on dividend	(82)	(730)
Less: Final dividend	(4,340)	–
Less: Distribution tax on final dividend	(884)	–
Balance as at end of the year	1,09,231	6,920
	1,78,301	65,473

Note 5 : Long-Term Borrowings

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Secured		
Redeemable non-convertible debenture	20,000	–
Term loan		
Term loan from Non Banking Financial Company (refer note (b))	–	10,000
	20,000	10,000

Security clause in respect to secured debentures

- a) The Company has raised ₹ 5,000 lakhs during the year ended 31 March 2016 through issue of 500 secured redeemable Non-Convertible Debentures(NCD) having interest rate 8.50% and ₹ 15,000 lakhs during the year ended 31 March 2018 through issue of 1,500 secured redeemable Non-Convertible Debentures(NCD) having interest rate 8.53% with face value of ₹ 10 lakhs each by way of private placement.
- b) Assets cover available in case of Non Convertible Debt Securities :**
- 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
 - The Loan receivables of the Company of both present and future to the extent of required security cover.
 - Mutual fund investment by the Company of both present and future to the extent of required security cover.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

iv) units of private equity funds owned by the Company.

c) Redemption date

Series A : 2500 lakhs redeemable on 30 April 2019

Series B : 2500 lakhs redeemable on 5 June 2019

Series C : 15,000 lakhs redeemable on 3 July 2020

d) Coupon payment date

Series A - 4 February 2019, 30 April 2019

Series B - 4 February 2019, 5 June 2019

Series C - 4 July 2018, 4 July 2019, 3 July 2020"

Term Loan pertains to the loan taken from Bajaj Financial Services Limited secured against units of mutual funds held by the Company and carries interest of 9.6% p.a

The due date of repayment of above term loan is ₹ 5,000 lakhs on 05 June 2018, ₹ 5,000 lakhs on 22 June 2018 and ₹ 10,000 lakh on 30 July 2018 which is shown under "Other Current Liabilities - Current Maturities of Long Term Borrowings

Note 6 : Deferred taxes and liabilities

Deferred tax liabilities

Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961

Sign on bonus pending write off

Loss on private equity investment

Deferred tax assets

Expenses allowable u/s. 43B on payment basis

Provision on standard, sub-standard and doubtful assets

Interest accrued on private equity funds

Rent income

Business loss carried forward

Provision for impairment of non-current investments

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	1,637	656
Sign on bonus pending write off	6	—
Loss on private equity investment	11	—
	<u>1,654</u>	<u>656</u>
Expenses allowable u/s. 43B on payment basis	418	16
Provision on standard, sub-standard and doubtful assets	328	50
Interest accrued on private equity funds	69	38
Rent income	74	61
Business loss carried forward	22	40
Provision for impairment of non-current investments	249	24
	<u>1,160</u>	<u>229</u>
	<u>494</u>	<u>427</u>

Note 7 : Other Long Term liabilities

Security deposit (against premises given on lease)

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Security deposit (against premises given on lease)	1,192	981
	<u>1,192</u>	<u>981</u>

Note 8 : Long-term provisions

Provision for employee benefits (Unfunded) (refer note 49)

"Others Provision for Service Charges"

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Provision for employee benefits (Unfunded) (refer note 49)	747	24
"Others Provision for Service Charges"	19	—
	<u>765</u>	<u>24</u>

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Note 9 : Short-term borrowings

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Secured		
From Non Banking Financial Companies*	20,000	6,000
Bank Overdraft#	21,597	–
Unsecured		
Commercial paper (gross)	62,000	20,000
Less: Unamortized discount	771	241
Commercial paper (net)	61,229	19,759
	1,02,826	25,759

*Borrowings from Non-Banking Financial Company is secured against units of mutual funds and approved list of shares and securities. It consists of loan of ₹ 15,000 lakhs from Bajaj Financial Services Limited and ₹ 5,000 Lakhs from Aditya Birla Finance Limited carrying interest rate of 8.75% p.a. and 9% p.a. respectively which are repayable on demand

#The bank overdraft is secured against Mutual Funds / Fixed deposits / Property pledged with the banks (includes Motilal Oswal Tower) / hypothecated against book debts.

Of the above balance ₹ 16,875 lakhs as on 31 March 2018 and ₹ 25,759 lakhs as on 31 March 2017 has been considered for discontinuing operations (refer note 56)''

Note 10 : Trade Payables

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Due to		
Micro Small and Medium Enterprise (Note no 40)	–	–
Others	97,608	–
	97,608	–

Note 11 : Other current liabilities

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Current maturity of long term borrowing *	20,000	10,000
Margin money	19,538	–
Interest accrued but not due on borrowings	2,399	1,099
Interest accrued and due on borrowings	48	–
Advance received from customers	438	–
Unpaid dividend (refer Note (a) below)	22	15
Accrued salaries and benefits	70	–
Other liabilities		
For retention money	–	6
For capital expenses	8	9
Taxes payable	487	303
Other payables (includes payable to vendors)	2,974	129
Book overdraft^	414	1
	46,398	11,562

*Of the above balance of Current maturity of long term borrowing ₹ 2651 lakhs as on 31 March 2017 has been considered for discontinuing operations (refer note 56).

^Of the above, book overdraft of ₹ 288 lakhs as on 31 March 2018 and ₹ Nil as on 31 March 2017 has been considered for discontinuing operations (Refer note 56).

NOTES TO FINANCIAL STATEMENT (Contd.)

Note 12 : Short-term provisions

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Provision for employee benefits		
Compensated absences (also refer note 36)	39	3
Gratuity and heritage obligation (also refer note 49)	498	22
ExGratia /Incentive payable (refer note 36)	8,665	83
Others		
Proposed Dividend	–	–
Others		
Provision for income taxes (net of advance tax paid including tax deducted at source)	795	–
Contingent provisions against standard assets	113	119
Provision for sub standard and doubtful non performing assets	106	26
Other provisions (includes provision for expenses)	562	0
	10,778	253

Of the above balances ₹ 224 lakhs as on 31 March 2018 and ₹ 146 lakhs as on 31 March 2017 has been considered for discontinuing operations (refer note 56)

Note 13 : Fixed assets

Current year

(₹ in Lakhs)

Particulars	GROSS BLOCK					ACCUMULATED DEPRECIATION/AMORTISATION					NET BLOCK
	Balance as at 1-Apr-17	Balance as at 1-Apr-17 of transferor company	Additions	Disposals	Balance as at 31-Mar-18	Balance as at 1-Apr-17	Balance as at 1-Apr-17 of transferor company	Additions	Disposals	Balance as at 31-Mar-18	Balance as at 31-Mar-18
Property, plant and equipment											
Land @	1,583	1,084	–	–	2,667	–	–	–	–	–	2,667
Buildings * @	15,359	12,573	604	–	28,536	3,416	2,927	1,278	–	7,621	20,915
Plant and machinery	579	5,238	1,094	–	6,912	403	4,335	815	–	5,553	1,359
Furniture and fixtures	175	1,853	319	–	2,347	128	1,339	190	(74)	1,583	764
Vehicles	96	537	94	(116)	612	85	219	154	–	457	155
Office equipments	–	3,077	278	–	3,355	–	2,630	190	–	2,820	535
Computer	11	–	4	–	15	8	–	2	–	10	5
Total (A)	17,803	24,362	2,393	(116)	44,444	4,040	11,450	2,630	(74)	18,044	26,399
Intangible assets											
Goodwill	–	90	–	–	90	–	90	–	–	90	–
Computer software	3	3,179	638	–	3,820	1	2,437	298	–	2,736	1,085
BSE/MCX Cards	–	648	–	–	648	–	648	–	–	648	–
Custom Right	–	684	–	–	684	–	684	–	–	684	–
Total (B)	3	4,600	638	–	5,242	1	3,859	298	–	4,157	1,085
Total (A) + (B)	17,806	28,962	3,032	(116)	49,686	4,040	15,309	2,928	(74)	22,202	27,484

NOTES TO FINANCIAL STATEMENT (Contd.)

Previous year

(₹ in Lakhs)

Particulars	GROSS BLOCK					ACCUMULATED DEPRECIATION/AMORTISATION					NET BLOCK	
	Balance as at 1-Apr-16	Balance as at 1-Apr-17 of transferor company	Additions	Disposals	Balance as at 31-Mar-17	Balance as at 1-Apr-16	Balance as at 1-Apr-17 of transferor company	Additions	Disposals	Balance as at 31-Mar-17	Balance as at 31-Mar-17	
Property, plant and equipment												
Land @	1,583	-	-	-	1,583	-	-	-	-	-	1,583	
Buildings * @	15,359	-	-	-	15,359	2,823	-	593	-	3,416	11,943	
Plant and machinery	558	-	21	-	579	345	-	57	-	403	177	
Furniture and fixtures	174	-	1	-	175	111	-	18	-	128	47	
Vehicles	96	-	-	-	96	79	-	6	-	85	11	
Office equipments	8	-	3	-	11	6	-	2	-	8	3	
Total (A)	17,778	-	25	-	17,803	3,364	-	675	-	4,040	13,763	
Intangible assets												
Computer software	3	-	-	-	3	0	-	1	-	1	2	
Total (B)	3	-	-	-	3	0	-	1	-	1	2	
Total (A) + (B)	17,781	-	25	-	17,806	3,364	-	676	-	4,040	13,766	

* Part of the premises have been given on lease.

@ As at 31 March 2018, the Company has mortgaged its Immovable Property 'Motilal Oswal Tower' (Gross block ₹ 26,113 lakhs [Previous year ₹ 16,942 lakhs] and Net Value ₹ 19,684 lakhs [Previous year ₹ 13,526 lakhs] as at 31 March 2018) to HDFC Bank Limited for the banking facilities availed by transferor company.

Of the above assets, assets of value ₹ 4 lakhs as on 31 March 2018 and ₹ 3 lakhs as on 31 March 2017 have been considered for discontinuing operations

Note : 14(a) Non current investment

(₹ in Lakhs)

Particulars	Relationship	Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	"Face Value (In Rupees)"	Extent of Equity Holding (%)		Amount	
		Nos.	Nos.				As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-18	As at 31-Mar-17
		As at 31-Mar-18	As at 31-Mar-17							
Investment in equity shares (A)										
Central Depository Services India Limited	Others	100	-	Unquoted	Fully paid	0.01	-	-	0	-
Motilal Oswal Capital Markets Limited	Subsidiary	3,49,999	-	Unquoted	Fully paid	10	100%	-	35	-
Motilal Oswal Securities International Private Limited	Subsidiary	45,69,200	-	Unquoted	Fully paid	10	100%	-	457	-
Motilal Oswal Wealth Management Limited	Subsidiary	8,00,000	-	Unquoted	Fully paid	1	100%	-	1,226	-
Motilal Oswal Asset Management Company Limited	Subsidiary	6,50,00,000	-	Unquoted	Fully paid	1	99.92%	-	6,501	-
Motilal Oswal Trustee Company Limited	Subsidiary	1,00,000	-	Unquoted	Fully paid	10	100%	-	10	-
Motilal Oswal Capital Markets (Honkong) Private Limited	Subsidiary	60,00,000	-	Unquoted	Fully paid		100%	-	412	-
Motilal Oswal Capital Markets (Singapore) Pte. Limited	Subsidiary	13,61,111	-	Unquoted	Fully paid		100%	-	1,041	-
Motilal Oswal Securities Limited	Transferor Company	-	10,00,000	Unquoted	Fully paid	10	NA	100%	-	163
Aspire Home Finance Corporation Limited	Subsidiary	4,77,62,67,896	72,81,63,470	Unquoted	Fully paid	1	91.74%	15.09%	55,644	7,686
Motilal Oswal Commodities Brokers Private Limited	Subsidiary	4,10,044	4,10,044	Unquoted	Fully paid	10	100%	100%	90	90
Motilal Oswal Investment Advisors Limited	Subsidiary	10,00,000	10,00,000	Unquoted	Fully paid	10	100%	100%	4,137	4,137
MOPE Investment Advisors Private Limited	Subsidiary	50,000	50,000	Unquoted	Fully paid	10	85%	85%	5	5
Motilal Oswal Insurance Brokers Private Limited	Subsidiary	30,00,000	30,00,000	Unquoted	Fully paid	10	100%	100%	300	300
AU Finance (India) Limited	Others	32,81,796	-	Quoted	Fully paid	10			1,888	-
Shubham Housing Development Finance Company Private Limited	Others	21,381	-	Unquoted	Fully paid	10			180	-
Shriram New Horizons Limited	Others	7,50,000	-	Unquoted	Fully paid	10			1,013	-
Less : Provision for Impairment of investment									(1,189)	(102)
Total (A)									71,750	12,279

NOTES TO FINANCIAL STATEMENT *(Contd..)*

(₹ in Lakhs)

Particulars	Relationship	Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	"Face Value (In Rupees)"	Extent of Equity Holding (%)		Amount	
		Nos.	Nos.				As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-18	As at 31-Mar-17
		As at 31-Mar-18	As at 31-Mar-17							
Investments in debentures (B)										
17% Non convertible debentures of Reddy Housing Private Limited	Others	-	70	Unquoted	Fully paid	10,00,000			-	700
Total (B)									-	700
Investments in preference shares (C)										
Compulsory Convertible preference shares of Shubham Housing Development Finance Company Private Limited	Others	2,20,260	-	Unquoted	Fully paid	10			1,859	-
Total (C)									1,859	-
Investments in partnership firms (D)										
India Realty Excellence Fund II LLP	Others	-	-	Unquoted					4,690	-
India Realty Excellence Fund II LLP (Carry units)	Others	-	-	Unquoted					2	-
Total (D)									4,692	-
Investment in units of mutual funds (E)										
Motilal Oswal MOST Focused 25 Fund #	Others	4,11,08,111	17,82,669	Unquoted	Fully paid	10			7,400	300
Most Focused 30 Fund #	Others	90,81,695	-	Unquoted	Fully paid	10			2,500	-
Most Shares N100 ETF	Others	18,330	-	Quoted	Fully paid	10			51	-
Most Focused Multicap 35 Fund #	Others	9,49,45,281	4,58,69,209	Unquoted	Fully paid	10			16,478	7,000
Most Shares M50 ETF	Others	59,499	-	Quoted	Fully paid	10			48	-
MOST Shares Midcap 100 ETF	Others	5,07,650	-	Quoted	Fully paid	10			68	-
Most Focused Long Term Fund	Others	1,90,816	-	Unquoted	Fully paid	10			20	-
Reliance Liquid Fund - Treasury Plan - Growth Plan - Growth Option ^^	Others	3,19,338	-	Unquoted	Fully paid	10			11,483	-
Reliance Liquidity Fund - Growth Plan - Growth Option ^^	Others	2,24,102	-	Unquoted	Fully paid	10			4,961	-
Reliance Banking and PSU Debt Direct Growth Fund ^^	Others	13,29,06,806	-	Unquoted	Fully paid	10			15,000	-
Reliance Medium Term Fund - Direct Growth Plan - Growth Option ^^	Others	1,51,18,164	-	Unquoted	Fully paid	10			5,000	-
Birla Sunlife Cash Plus Direct Plan Growth ^^	Others	28,14,162	-	Unquoted	Fully paid	10			7,604	-
Principal Cash Management Fund Direct Growth ^^	Others	4,66,795	-	Unquoted	Fully paid	10			7,516	-
Motilal Oswal MOST Focused Midcap 30 Fund*#	Others	6,36,24,626	5,45,42,931	Unquoted	Fully paid	10			12,001	9,501
Motilal Oswal MOST Focused Multicap 35 Fund#	Others	14,54,22,903	14,03,01,901	Unquoted	Fully paid	10			22,750	21,350
Total (E)									1,12,879	38,151
Investment in alternative investment funds (F)										
Motilal Oswal Focused Growth Opportunities Fund	Others	86,37,026	-	Unquoted	Fully paid	10			1,000	-
Motilal Oswal Focused Growth Opportunities Fund (Carry units)	Others	30,000	-	Unquoted	Fully paid	10			3	-
Motilal Oswal Focused Multicap Opportunities Fund	Others	1,02,55,164	-	Unquoted	Fully paid	10			1,108	-
Motilal Oswal Select Opportunities Fund	Others	66,87,757	-	Unquoted	Fully paid	10			660	-
Motilal Oswal Focused Business Advantage Fund (1.972%)	Others	1,00,00,000	-	Unquoted	Fully paid	10			1,000	-
Motilal Oswal Focused Business Advantage Fund (Carry units - 0.020%)	Others	1,00,000	-	Unquoted	Fully paid	10			10	-
Motilal Oswal Focused Emergence Fund	Others	79,79,731	-	Unquoted	Fully paid	10			778	-
Motilal Oswal Rising India Fund	Others	30,00,000	-	Unquoted	Fully paid	10			300	-
Contrarian Vriddhi Fund I	Others	1,000	-	Unquoted	Fully paid	10000			100	-
Total (F)									4,959	-
Investment in private equity funds (G)										
India Business Excellence Fund I	Others	25	-	Unquoted	Fully paid	1,00,000			249	-
India Business Excellence Fund II	Others	6,57,500	-	Unquoted	Fully paid	1,000			6,745	-
India Business Excellence Fund II (Carry units)	Others	997	-	Unquoted	Fully paid	1,000			10	-

NOTES TO FINANCIAL STATEMENT (Contd.)

(₹ in Lakhs)

Particulars	Relationship	Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	"Face Value (In Rupees)"	Extent of Equity Holding (%)		Amount	
		Nos.	Nos.				As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-18	As at 31-Mar-17
		As at 31-Mar-18	As at 31-Mar-17							
India Business Excellence Fund III	Others	4,88,750	-	Unquoted	Fully paid	1,000			4,888	-
India Reality Excellence Fund III	Others	65,67,799	40,00,000	Unquoted	Fully paid	100			6,576	4,000
India Business Excellence Fund	Others	450	450	Unquoted	Fully paid	10,00,000			891	1,236
India Business Excellence Fund - C class units	Others	1,000	1,000	Unquoted	Fully paid	100			0	0
India Reality Excellence Fund	Others	1,380	1,380	Unquoted	Fully paid	5,00,000			28	1,131
Total (G)									19,387	6,367
Investment property (H)										
Opening balance	Others								343	339
Add : Additions during the year	Others								463	190
Less : Depreciation current year	Others								(16)	(18)
Less : Deduction during the year	Others								(153)	(168)
Total (H)									637	343
Total (A+B+C+D+E+F+G+H)									2,16,165	57,840

^ On 14 August, 2017 the Company has further introduced capital in its subsidiary Aspire Home Finance Corporation Limited of ₹ 6,500 lakhs (1,120 lakhs number of equity shares of ₹ 5.80 per share).

All units are pledged for availing Bank over draft facility.

^^ All the units are pledged with exchanges for meeting margin requirements.

* Valued at weighted average cost.

Note : 14(a) Non current investment

(₹ in Lakhs)

Particulars	As at 31-Mar-18		As at 31-Mar-17	
	Cost	Market Value	Cost	Market Value
Aggregate value of quoted investment	2,054	20,535	-	-
Aggregate value of unquoted investments				
Mutual funds***	1,12,712	1,50,416	38,151	57,707
Others	1,02,587	NA	19,793	NA
Aggregate provision for diminution in value of investments	(1,189)	NA	(102)	NA

***Market value is based on Net Asset Value ("NAV") declared by mutual fund.

Note : 14(b) Current investment

(₹ in Lakhs)

Particulars	Relationship	Number of Shares / Units		Quoted / Unquoted	Amount	
		Nos.	Nos.		As at 31-Mar-18	As at 31-Mar-17
		As at 31-Mar-18	As at 31-Mar-17			
(A) Investment in equity shares						
MAS Financial Services Limited	Others	-	29,55,869	Unquoted	-	8,000
Total (A)					-	8,000
(B) Investment in units of mutual funds						
Icici pru money market - Direct plan*	Others	22,06,429	-	Unquoted	5,000	-
Peerless liquid fund - Direct plan Growth*	Others	26,353	-	Unquoted	500	-
Kotak floater short term - Direct plan Growth*	Others	2,68,086	-	Unquoted	7,500	-
Invesco india liquid - Direct Growth*	Others	3,13,919	-	Unquoted	7,500	-
UTI money market fund - Direct Growth*	Others	4,03,100	-	Unquoted	7,500	-
Total (B)					28,000	-
Total (A+B)					28,000	8,000

* All the units are pledged with exchanges for meeting margin requirements.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

(₹ in Lakhs)

Particulars	As at 31-Mar-18		As at 31-Mar-17	
	Cost	Market Value	Cost	Market Value
Aggregate value of quoted investment and market value	-	-	-	-
Aggregate value of unquoted investments				
Mutual funds***	28,000	28,802	-	-
Others	-	-	8,000	8,000

*** Market value is based on net asset value per unit declared by Mutual Fund.

* As the investment is made by the Company on 30 March 2017, investment value and the market value is same.

Note 15 : Long-term loans and advances

Unsecured, considered good

Capital advances	
Electricity and other deposits	
Deposits with exchange	

Other Loans and Advances

Prepaid expenses	
Advance tax (net of provision)	
Loan to staff	
Minimum alternate tax credit receivable	

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Capital advances	348	0
Electricity and other deposits	865	86
Deposits with exchange	221	-
Prepaid expenses	184	95
Advance tax (net of provision)	1,867	398
Loan to staff	55	-
Minimum alternate tax credit receivable	-	1,020
	<u>3,540</u>	<u>1,599</u>

Note 16 : Other non-current assets

Unsecured, considered good

Other bank balances	
Fixed deposits (remaining maturity more than 12 months)*	

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Other bank balances	-	-
Fixed deposits (remaining maturity more than 12 months)*	220	-
	<u>220</u>	<u>-</u>

*Fixed deposits receipt under lien with exchange

Note 17 : Inventories (at cost or net realisable value whichever is lower)

Inventories

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Inventories	26	-
	<u>26</u>	<u>-</u>

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Note 18 : Trade receivables

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Outstanding for a period exceeding six months from the date they are due for payment		
Secured Considered good*	5,950	–
Unsecured Considered good	96	–
Doubtful	311	–
Less: provision for doubtful debts	(311)	–
	6,046	–
Other debts		
Secured Considered good*	58,981	–
Unsecured Considered good	8,093	–
Doubtful	451	–
Less: provision for doubtful debts	(451)	–
	67,074	–
	73,120	–

*Secured against securities given as collateral by the customer

Note 19 : Cash and bank balances

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Cash and Cash equivalents		
Cash on hand	28	2
Cheques in hand	–	173
Balance with banks		
In current account	18,048	423
Fixed deposit with banks (maturity within 3 months)	240	–
	18,316	598
Other bank balances		
Fixed deposit with banks (with original maturity more than 3 months)*	4,880	50
Unpaid dividend account	22	15
	4,902	65
	23,218	663

*Of the above Fixed deposits of ₹ 3,965 lakhs (Previous year ₹ Nil) is under lien with stock exchange and ₹ 550 lakhs (Previous year ₹ Nil) is under lien with bank for Bank guarantee facility.

Of the above balance of cash and cash equivalents is Nil as on 31 March 2018 and ₹ 220 Lakhs have been considered for discontinuing operations (refer note 56)

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Note 20 : Short-term loans and advances

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Unsecured, considered good		
Loans to related parties (subsidiaries)	3,624	9,683
Loans to others		
Standard assets	1,039	3,641
Doubtful assets		
Non performing assets	18	26
Other Loans and advances		
Prepaid expenses	307	45
Loans and advances to employees	110	254
Margin trading facility	62,566	–
Advances to supplier/vendor	743	–
Deposits with exchange	914	–
Others (ST)	41	78
Secured, considered good		
Loans to others (S)		
Standard assets-(S)	16,337	20,072
Sub standard assets		
Non performing assets	877	–
	<u>86,576</u>	<u>33,799</u>

Note 21 : Other current assets

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Unsecured, considered good:		
Interest Accrued	108	67
Receivable from subsidiary companies	647	176
Receivables others	689	14
Inventory of stamps	1	–
Sign on bonus pending amortization	19	–
	<u>1,464</u>	<u>257</u>

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Note 22 - Revenue from operations

	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
a) Income from operations*		
Brokerage and comission	72,289	–
Research and advisory fees	1,177	–
Portfolio management commission	8,476	–
Depository income	2,236	–
Interest income from loans	–	–
Income from investments	–	–
i) Dividend income		
From mutual funds, shares etc.	991	–
From subsidiary company	4,578	4,853
ii) Profit on sale of investment	15,677	6,420
Income/(loss) from arbitrage transaction/stock in trade	(1)	–
Rent income	2,350	1,721
Partnership gain from private equity fund (refer note 33)	1,111	–
b) Other operating revenue		
Commission	–	164
Interest	16,159	–
Others	1,861	18
Total	1,26,906	13,176

*Income in relation to discontinuing operations of ₹ 3,462 Lakhs and ₹ 4,369 Lakhs for the year ended 31 March, 2018 and 31 March, 2017 respectively has been shown separately under note no.56 on discontinuing operations.

Note 23 : Other income

	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
Referral fee	334	45
Interest	8	–
Profit/(loss) on sale of fixed assets	10	–
Other non-operating income	16	45
	368	90

Note 24 : Employee benefits expense*

	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
Salary, bonus and allowances	24,369	47
Employee stock option-expenses (refer note 51)	1,837	–
Contribution to provident and other funds	416	0
Staff welfare expenses	671	1
Gratuity and other long term benefits (also refer note 49)	310	0
	27,603	48

*Employee benefit expenses in relation to discontinuing operations of ₹ 1,008 Lakhs and ₹ 806 Lakhs for the year ended 31 March, 2018 and 31 March, 2017 respectively has been shown separately under Note No. 56 on discontinuing operations.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Note 25 : Finance cost

	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
Interest expense	9,163	488
Other borrowing cost	125	–
	<u>9,288</u>	<u>488</u>

*Finance cost in relation to discontinuing operations of ₹ 2,618 Lakhs and ₹ 3,150 Lakhs for the year ended 31 March, 2018 and 31 March, 2017 respectively has been shown separately under Note No. 56 on discontinuing operations.

Note 26 : Depreciation and amortization expenses For the year ended For the year ended

	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
Depreciation and amortization of fixed assets (refer note 13)	2,926	674
Depreciation on investment property (refer note 14)	16	18
	<u>2,942</u>	<u>692</u>

*Depreciation and amortization expenses in relation to discontinuing operations of ₹ 2 Lakhs for the year ended 31 March, 2018 and 31 March, 2017 has been shown separately under Note No. 56 on discontinuing operations.

Note 27 : Operating expenses

	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
Fees and other operating expenses	83	123
Brokerage sharing with intermediaries	32,389	–
Depository charges	420	–
Advisory and other fees	472	–
	<u>33,364</u>	<u>123</u>

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Note 28 : Other expenses

	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
Rent (also refer note 37)	884	3
Rates and taxes	253	128
Insurance	29	2
Legal and professional fees	1,053	6
Remuneration to auditors (also refer note 32)	16	4
Advertisement expenses	701	-
Marketing and brand promotion	1,630	-
Printing and stationary	322	1
Communication and data charges	1,312	-
Travelling, lodging and boarding expenses	1,426	-
Repairs - building	177	111
Repairs and maintenance - others	193	-
Computer maintenance and software charges	674	-
Bad debts written off/trading loss	186	-
Provision / (write back) on standard loan assets	580	-
Provision on sub standard and doubtful loan assets	(8)	-
Power and fuel	482	-
Foreign exchange loss	8	-
Service charges	423	-
Provision for diminution in value of non-current investments	687	102
Corporate social responsibility expense (also refer note 54)	298	10
Donations	159	-
Miscellaneous expenses	1,104	4
Total (A+B)	12,587	371

*Other expenses in relation to discontinuing operations of ₹ 726 lakhs and ₹ 594 lakhs for the year ended 31 March, 2018 and 31 March, 2017 respectively has been shown separately under Note No. 56 on discontinuing operations.

Note 29 : Exceptional items

	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
Loss assets written off	-	(2,788)
	-	(2,788)

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Note 30: Contingent liability and commitment (to the extent not provided for)

Particulars	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Contingent liabilities:		
(i) Guarantees / securities given (Refer note a)	1,575	16,172
(ii) Demand in respect of income tax matters for which appeal is pending (Refer note b)	3,388	468
(iii) Legal matters in dispute (Refer note c)	143	–
(iv) Claim against the company (Refer note d)	1,577	–
Capital commitments:		
(i) Estimated amount of contracts remaining to be executed on capital account (net of advances)	726	–
(ii) Uncalled liability on shares and other investments partly paid:	–	–
-India Realty Excellence Fund III	2,000	4,000
-India Business Excellence Fund III	12,113	–

(a) The Company has given corporate guarantees of ₹ 500 lakhs (Previous year: ₹ 500 lakhs) to a bank for its subsidiary Motilal Oswal Commodity Brokers Private Limited. In the previous year 2016-17, the Company had pledged units of mutual funds of ₹18,750 lakhs for loan taken by transferee company of ₹ 15,672 lakhs inclusive of accrued interest.

The Company has provided bank guarantees aggregating to ₹ 1,075 lakhs as on 31 March 2018 for the following purposes to:

- 1) BSE Limited - ₹550 lakhs for meeting margin requirements.
- 2) National Stock exchange - ₹500 lakhs for meeting margin requirements.
- 3) Unique Identification Authority - ₹ 25 lakhs for security deposit

The Company has pledged fixed deposits with banks aggregating of ₹ 550 lakhs for obtaining bank guarantee.

(b) Demand in respect of income tax matters for which appeal is pending is ₹3,388 lakhs (Previous year ₹ 468 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 ₹ 1,018 lakhs (Previous year ₹ 127 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) In respect of the legal matters in dispute, the Company is hopeful of succeeding in appeals and does not expect any significant liabilities to materialise.

(d) Claims against the Company:

Pending against forum	Number of cases as on 31-Mar-2018	As at 31-Mar-2018
Civil cases	35	1,382
Consumer court cases	15	30
Arbitration cases	6	165
Total	56	1,577

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".

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Note 31: Segment reporting

As per AS 17 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 32: Auditor's remuneration (exclusive of taxes)

Particulars	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
As Auditors:		
Statutory audit	21	12
Tax audit	—	1
In other capacity:		
Out of pocket expenses	0	0
Certification	1	1
Total	22	14

Note 33:

Revenue from operations includes ₹1111 lakhs (Previous year: Nil) towards partnership gain, which is based on management accounts of India Realty Excellence Fund II LLP.

Note 34 : Earnings per equity share:

Particulars	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Net profit attributable to equity shareholders [A] (₹ in lakhs)	32,338	8,630
Weighted average number of equity shares issued [B] (face value of ₹ 1 each) (In numbers)	14,47,09,536	14,31,75,554
Basic earnings per share [A/B] (₹)	22.35	6.03
Net Profit attributable to equity shareholders [C] (₹ in lakhs)	32,338	8,630
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)	32,338	8,630
Weighted average of equity shares issued (face value of ₹ 1 each) (In numbers) [E]	14,47,09,536	14,31,75,554
Weighted number of additional equity shares outstanding for diluted EPS (In numbers) [F]	23,43,833	20,08,622
Weighted number of equity shares outstanding for diluted EPS (In numbers) [E+F]	14,70,53,369	14,51,84,175
Diluted earnings per share [C-D/E+F] (₹)	21.99	5.94

Note 35:

Vide notification OFC (COC) number 99 ED (JRP)/97, dated 6 December 1997 issued by Reserve Bank of India under section 45NC of the Reserve Bank of India Act, 1934, provisions of sections 45IA, 45IB, 45IC, 45MB and 45MC of the Reserve Bank of India Act, 1934 does not apply to the Transferor company as it is doing the business of a Stock Broker and holding a valid certificate of registration obtained under Section 12 of Securities Exchange Board of India Act, 1992.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Note 36 : Provisions made for the year ended 31 March 2018 comprises of:

(₹ in Lakhs)

Particulars	Opening balance as at 1-Apr-2017 of Transferee company	Opening balance of Transferor company as at 1-Apr-2017	Provided during the year	Provision reversed /paid during the year	Closing balance as at 31-Mar-2018
Ex-gratia	83	4,920	8,681	5,019	8,665
Provision for gratuity	44	833	354	47	1,184
Heritage benefits	2	50	10	2	60
Compensated absences	3	32	38	34	39
Total	132	5,835	9,083	5,103	9,948

(₹ in Lakhs)

Particulars	Opening balance as at 1-Apr-16	Provided during the financial year	Provision reversed /paid during the financial year	Closing balance as at 31-Mar-17
Ex-gratia	78	83	78	83
Provision for gratuity	40	5	–	45
Heritage benefits	–	2	–	2
Compensated absences	4	3	4	3
Total	122	93	82	132

Note 37 : Lease Lease payments : Company as lessee

General description of lease terms (In respect of assets taken on lease) :

For Transferee company

The Transferee company has taken office premises and rented flat on lease for a period upto 3 years.

For Transferor company

- Lease rentals are charged on the basis of agreed terms.
- Office premises are taken on lease for a period of 3 - 5 years.
- The Company 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.

Minimum future lease payment under non cancellable operating lease for each of the following year

Particulars	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Not later than 1 year	579	96
Later than 1 year but not later than 5 year	430	52
Later than 5 year	–	–
Total	1,009	148

During the year ₹ 978 lakhs (Previous year ₹ 38 lakhs) has been recognised as lease payments in the statement of profit and loss under the head "Other expenses".

Rent Income : Company as lessor

General description of lease terms: (In respect of assets given on lease)

NOTES TO FINANCIAL STATEMENT *(Contd..)*

For Transferee company

The Transferee 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.

For Transferor company

- i) Lease rentals are charged on the basis of agreed terms
- ii) Office premises are given on lease for a period of 5 years
- iii) The Transferor company has entered into lease/license agreement in respect of immovable properties with a party. It contain escalation clause related to lease rentals/license fees with 15% from the 4th year in case of non cancelable lease. However, in case of cancellable lease, the same can be terminated by giving prior notice of 30 days.

Minimum future lease receivables under non-cancellable operating lease for each the following year

Particulars	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Not later than 1 year	29	109
Later than 1 year but not later than 5 year	–	36
Later than 5 year	–	–
Total	29	145

During the year ₹ 2,350 lakhs (Previous year ₹1,721 lakhs) has been recognised as rent income in the statement of profit and loss under the head “Income from Operations”.

Particulars	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Building given on lease		
Gross value	14,056	9,568
Accumulated depreciation	2,922	1,929
Depreciation	508	335

Note 38 :

The Transferee company gives secured loans to its customers, wherein towards such loan the customers give their owned securities (shares) as a security to the Company which are either pledged in favour of the Company or are transferred to Company’s Depository participant account. Such shares are kept by the Transferee company in a separate depository participant account maintained by the Transferee company for all such purposes.

Note 39 : 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 ₹20,000 lakhs in the current year (previous year ₹ 15,000 lakhs). These ratings indicate strong degree of safety regarding timely servicing of financial obligations “

Note 40 : 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. Out of the letter sent to the party, only one confirmation have been received till the date of finalisation of balance sheet. Based on and to the extent of the information 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:”

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Particulars	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 41: Quantitative information in respect of income/loss from arbitrage transactions of the Transferor company.

Particulars	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 42: Imports (Value on the Cost, Insurance and Freight Basis)

Particulars	For the year ended 31-Mar-18 ₹ in Lakhs
Capital goods	—
Total	—

Note 43: Business support:

The Transferor company provides business support to its subsidiaries, fellow subsidiaries and holding Company 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.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Note 44: Foreign currency transactions:

(i) Expenditure in foreign currency (On accrual basis)

Particulars	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
Travelling lodging and boarding expenses	283	—
Marketing commission	5	—
Membership fees	6	—
Computer maintenance and software charges	232	—
Lodging and boarding expenses	20	—
Client entertainment expenses	0	—
Advisory and other fees	245	—
Total	791	—

(ii) Income in foreign currency (On accrual basis)

Particulars	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
Royalty	6	—
Research and advisory fees	1,162	—
Total	1,168	—

Note 45: Amount of margin money and shares received from clients and outstanding are as follows of the transferror company.

Security Settlement for the	(₹ in Lakhs)		
	In the form of Securities at market Value*	Bank Guarantees and Fixed Deposits	Received in bank
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 Transferor company in accordance with regulation. Out of this, securities worth ₹1,84,468 are pledged with exchange as on 31 March 2018.

Note 46 : Unhedged foreign currency exposure:

a) Receivables

Particulars	Currency	As at 31-Mar-18 ₹ in Lakhs
Foreign currency exposure outstanding	USD (USA Dollar)	0.53
	INR (Indian Rupees)	34.48
	HKD (Hongkong Dollar)	6.67
	INR (Indian Rupees)	55.17
Foreign currency receivable in next 5 years including interest	USD (USA Dollar)	0.53
	INR (Indian Rupees)	34.48
	HKD (Hongkong Dollar)	6.67
	INR (Indian Rupees)	55.17
Unhedged foreign currency exposure	USD (USA Dollar)	0.53
	INR (Indian Rupees)	34.48
	HKD (Hongkong Dollar)	6.67
	INR (Indian Rupees)	55.17

NOTES TO FINANCIAL STATEMENT *(Contd..)*

b) Payables

Particulars	Currency	As at 31-Mar-18 ₹ in Lakhs
Foreign currency exposure outstanding	USD (USA Dollar)	0.65
	INR (Indian Rupees)	42.25
	GBP (Great Britain Pounds)	0.40
	INR (Indian Rupees)	1.60
	SGD (Singapore Dollar)	5.34
	INR (Indian Rupees)	254.51
Foreign currency receivable in next 5 years including interest	USD (USA Dollar)	0.65
	INR (Indian Rupees)	42.25
	GBP (Great Britain Pounds)	0.40
	INR (Indian Rupees)	1.60
	SGD (Singapore Dollar)	5.34
	INR (Indian Rupees)	–
Unhedged foreign currency exposure	USD (USA Dollar)	0.65
	INR (Indian Rupees)	42.25
	GBP (Great Britain Pounds)	0.40
	INR (Indian Rupees)	1.60
	SGD (Singapore Dollar)	5.34
	INR (Indian Rupees)	254.51

c) Investments

Particulars	Currency	As at 31-Mar-18 ₹ in Lakhs
Foreign currency exposure outstanding	HKD (Hongkong Dollar)	49.41
	INR (Indian Rupees)	412.02
	SGD (Singapore Dollar)	22.00
	INR (Indian Rupees)	1,040.88
Foreign currency receivable in next 5 years including interest*	HKD (Hongkong Dollar)	NA
	INR (Indian Rupees)	NA
	SGD (Singapore Dollar)	NA
	INR (Indian Rupees)	NA
Unhedged foreign currency exposure	HKD (Hongkong Dollar)	49.41
	INR (Indian Rupees)	412.02
	SGD (Singapore Dollar)	22.00
	INR (Indian Rupees)	1,040.88

* These investments are strategic and long term in nature, hence the period of their realisation is not ascertainable.

Note 47 : Proposed dividend

The final dividend proposed for the year is as follows

Particulars	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
On Equity Shares of Re.1 each		
Amount of dividend proposed (₹ in lakhs)	6,529	4,340
Dividend distribution tax on proposed dividend (₹ in lakhs)	1,342	884
Dividend per equity share (₹)	4.50	3.00
Royalty	6	–

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Note 48:

During the current year, the Transferee Company has made / (reversed) a provision ₹(6 Lakhs) (Previous year ₹ 53 lakhs) being 0.40% (previous year 0.35%) of its standard assets as per the Notification No. RBI/DNBR2016-17/45 dated 1 September 2016) issued by RBI.

Note 49 : Employee benefits

Disclosure pursuant to Accounting Standard -15 (Revised) "Employee benefits" is given as below:

The Company has classified various benefits provided to employee benefits as under

(a) Defined contribution plan

Contribution to defined contribution plans, recognised as expense for the year is as under :

Particulars	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Employers contribution to provident fund (including admin charges)	328	8
Employer's contribution to ESIC	72	—
Employer's contribution to NPS	23	—
Total	423	8

(b) 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 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 Accounting Standard 15 "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	
	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17
I Actuarial assumptions				
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest / Discount rate	6.85%	6.69%	6.85%	6.69%
Rate of increase in compensation	7.77%	4.00%	NIL	NIL
Employee Attrition Rate(Past service)	PS: 0 to 37 : 26.06%	PS: 0 to 37 : 3.7%	PS: 0 to 40 : 22%	PS: 0 to 37 : 3.7% to PS: 0 to 37 : 28.16%
Expected average remaining service (years)	3.00	10.20	2.48 to 2.56	2.48 to 2.56
II Changes in present value of defined benefit obligations (₹ In lakhs)				
Liability at beginning of year	44	40	-	-
Liability at beginning of year of Transferor Company	833	-	50	-
Interest cost	57	3	-	-
Current service cost	251	2	10	2
Past service cost- (non vested benefits)	-	-	-	-
Past service cost -(vested benefits)	184	-	-	-
Benefits paid	(47)	-	-	-
Actuarial (gain)/loss on obligation	(137)	(1)	-	-
Liability at end of year	1,184	44	60	2

NOTES TO FINANCIAL STATEMENT *(Contd..)*

(₹ in Lakhs)

Particulars	Gratuity (Unfunded)		Other long term benefits	
	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17
III Changes in fair value of plan assets				
Fair value of plan assets at beginning of year	–	–	–	–
Expected return on plan assets	–	–	–	–
Contributions	47	–	–	–
Benefits paid	(47)	–	–	–
Actuarial gain/(loss) on plan assets	–	–	–	–
Fair value of plan assets at end of year	–	–	–	–
IV Fair value of plan assets				
Fair value of plan assets at beginning of year	–	–	–	–
Actual return on plan assets	–	–	–	–
Contributions	47	–	–	–
Benefits paid	(47)	–	–	–
Fair value of plan assets at end of year	–	–	–	–
Funded status (including unrecognised past service cost)	(1,184)	(44)	(60)	(2)
Excess of actual over estimated return on plan assets	–	–	–	–
V Actuarial gain/(loss) recognized				
Actuarial gain/(loss) for the year (obligation)	137	1	–	–
Actuarial gain/(loss) for the year (plan assets)	–	–	–	–
Total gain/(loss) for the year	137	1	–	–
Actuarial gain/(loss) recognized for the year	137	1	–	–
Unrecognized actuarial gain/(loss) at end of the year	–	–	–	–
VI Past service cost recognised				
Past service cost- (non vested benefits)	–	–	–	–
Past service cost -(vested benefits)	185	–	–	–
Average remaining future service till vesting of the benefit	2	–	–	–
Recognised past service cost- non vested benefits	–	–	–	–
Recognised past service cost- vested benefits	185	–	–	–
Unrecognised past service cost- non vested benefits	–	–	–	–
VII Amounts to be recognized in the balance sheet and Statement of Profit and Loss account				
PVO at end of the year	1,183	44	60	2
Fair value of plan assets at end of the year	–	–	–	–
Funded status	(1,184)	(44)	(60)	(2)
Unrecognized actuarial gain/(loss)	–	–	–	–
Unrecognised past service cost- non vested benefits	0	–	–	–
Net asset/(liability) recognized in the balance sheet	(1,184)	(44)	(60)	(2)

NOTES TO FINANCIAL STATEMENT *(Contd..)*

(₹ in Lakhs)

Particulars	Gratuity (Unfunded)		Other long term benefits		
	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	
VIII Expense recognized in the Statement of Profit and Loss account					
Current service cost	251	2	10	2	
Interest cost	57	3	–	–	
Past service cost- (non vested benefits)	0	–	–	–	
Past service cost (vested benefits)	185	–	–	–	
Unrecognised past service cost- non vested benefits	–	–	–	–	
Expected return on plan assets	–	–	–	–	
Net actuarial (gain)/loss recognized for the year	(137)	(1)	–	–	
Expense recognized in the Statement of Profit and Loss account	354	5	10	2	
IX Movements in the liability recognized in Balance Sheet					
Opening net liability	44	40	–	–	
Opening net liability of Transferor company	833	–	50	–	
Expenses as above	354	5	10	2	
Contribution paid	(47)	–	–	–	
Closing net liability	1,183	45	60	2	
X Schedule III of the Companies Act, 2013					
Current liability	474	22	23	–	
Non-current liability	709	23	37	2	
	Gratuity (Unfunded)				
	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14
XI Experience History					
(Gain)/loss on obligation due to change in assumption	(122)	2	1	(1)	(6)
Experience (gain)/ loss on obligation	(15)	(3)	7	(1)	–
Actuarial gain/(loss) on plan assets	–	–	–	–	–

Note : Experience history of last five years in case of other long term benefits is not applicable since, provision for the same is made from financial year 2016-17

Note 50 : Related Party Disclosure :

As per Accounting Standard 18 – Related Party Disclosures, specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended), 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:

NOTES TO FINANCIAL STATEMENT *(Contd..)*

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 Capital Markets Limited (formerly known as Motilal Oswal Capital Markets Private 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) Fellow subsidiaries

- Nagori Agro and Cattle Feeds Private Limited

d) Associate enterprises

- India Realty Excellence Fund II LLP

e) Key management personnel

- Mr. Motilal Oswal – Chairman and Managing Director
- Mr. Raamdeo Agarawal – Joint Managing Director

f) 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
- 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

NOTES TO FINANCIAL STATEMENT *(Contd..)*

g) Enterprises in which Key Managerial Personnel have control

- OSAG Enterprises LLP
- VISU Associates - Partnership firm (Dissolved from 31 March 2017)

h) Enterprises in which Key Managerial Personnel and their relatives exercise significant influence

- Raamdeo Agarawal (HUF)
- Jain International Trade Organisation
- Textile Exports Private Limited
- Motilal Oswal Foundation (Trust)
- Motilal Oswal HUF

II. Transactions with related parties: 31 March 2018

(₹ 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 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Interest (Income)/Expense	Motilal Oswal Wealth Management Limited	(35)	(121)	–	–	–	–	(35)	(121)
	Motilal Oswal Wealth Management Limited	4	–	–	–	–	–	4	–
	Motilal Oswal Commodities Broker Private Limited	(198)	(135)	–	–	–	–	(198)	(135)
	Motilal Oswal Asset Management Company Limited	(12)	(1)	–	–	–	–	(12)	(1)
	Motilal Oswal Fincap Private Limited	(8)	(0)	–	–	–	–	(8)	(0)
	Motilal Oswal Investment Advisors Limited	(12)	(4)	–	–	–	–	(12)	(4)
	Motilal Oswal Real Estate Investment Advisors Private Limited	(9)	(8)	–	–	–	–	(9)	(8)
	Passionate Investment Management Private Limited	–	–	(7)	–	–	–	(7)	–
	Motilal Oswal Real Estate Investment Advisors II Private Limited	(60)	(57)	–	–	–	–	(60)	(57)
	MOPE Investment Advisors Private Limited	(68)	(3)	–	–	–	–	(68)	(3)
	Motilal Oswal Investment Advisors Limited	92	–	–	–	–	–	92	–
	India Realty Excellence Fund II LLP	–	–	–	–	(21)	(83)	(21)	(83)
Total interest received		(402)	(329)	(7)	–	(21)	(83)	(430)	(414)
Total interest paid		96	–	–	–	–	–	96	–
Managerial remuneration paid**	Motilal Oswal	–	–	–	–	240	240	240	240
	Raamdeo Agarawal	–	–	–	–	279	276	279	276
Total managerial remuneration paid		–	–	–	–	519	516	519	516
Referral fees/advisory fees (received)	Motilal Oswal Real Estate Investment Advisors II Private Limited	(52)	(45)	–	–	–	–	(52)	(45)
	Motilal Oswal Capital Markets (Hongkong) Pte Limited	(55)	–	–	–	–	–	(55)	–
Referral fees /advisory fees paid	Motilal Oswal Investment Advisors Limited	–	4	–	–	–	–	–	4
	Motilal Oswal Real Estate Investment Advisors II Private Limited	77	111	–	–	–	–	77	111
	Motilal Oswal Securities International Private Limited	221	–	–	–	–	–	221	–
	Motilal Oswal Capital Markets (Singapore) Pte Limited	245	–	–	–	–	–	245	–
Total referral fees/ advisory fees (received)		(107)	(45)	–	–	–	–	(107)	(45)
Total referral fees/ advisory fees paid		543	115	–	–	–	–	543	115
Placement fees	MOPE Investment Advisors Private Limited	(585)	–	–	–	–	–	(585)	–
	Motilal Oswal Real Estate Investment Advisors II Private Limited	(107)	–	–	–	–	–	(107)	–
Total placement fees (received)		(692)	–	–	–	–	–	(692)	–

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 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Business support service (Received)/Paid	Passionate Investment Management Private Limited	-	-	(1)	-	-	-	(1)	-
	OSAG Enterprises LLP	-	-	-	-	(1)	-	(1)	-
	Motilal Oswal Securities International Private Limited.	(2)	-	-	-	-	-	(2)	-
Total Business support service (Received)/Paid		(2)	-	(1)	-	(1)	-	(4)	-
Training fees	Motilal Oswal Capital Market Limited	5	-	-	-	-	-	5	-
Total Training fees (paid)		5	-	-	-	-	-	5	-
Set up fees (IBEF III)	MOPE Investment Advisors Private Limited	(252)	-	-	-	-	-	(252)	-
Total Set up fees (IBEF III)		(252)	-	-	-	-	-	(252)	-
Brokerage on mutual fund	Motilal Oswal Asset Management Company Limited	(877)	-	-	-	-	-	(877)	-
Total Brokerage on mutual fund		(877)	-	-	-	-	-	(877)	-
Brokerage sharing	Motilal Oswal Wealth Management Limited	738	-	-	-	-	-	738	-
Total Brokerage sharing		738	-	-	-	-	-	738	-
Marketing commission	Motilal Oswal Wealth Management Limited	(35)	-	-	-	-	-	(35)	-
Total Marketing commission		(35)	-	-	-	-	-	(35)	-
Portfolio management service distribution fees	Motilal Oswal Asset Management Company Limited	(5,895)	-	-	-	-	-	(5,895)	-
Total Portfolio management service distribution fees		(5,895)	-	-	-	-	-	(5,895)	-
Alternate Investment fund income (set up fees)	Motilal Oswal Asset Management Company Limited	(477)	-	-	-	-	-	(477)	-
Total Alternate Investment fund income (set up fees)		(477)	-	-	-	-	-	(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	(111)	(114)	-	-	-	-	(111)	(114)
	MOPE Investment Advisors Private Limited	(279)	(219)	-	-	-	-	(279)	(219)
	Motilal Oswal Asset Management Company Limited	(726)	(314)	-	-	-	-	(726)	(314)
	Motilal Oswal Fincap Private Limited	(9)	(11)	-	-	-	-	(9)	(11)
	Motilal Oswal Wealth Management Limited	110	-	-	-	-	-	110	-
	Aspire Home Finance Corporation Limited	(695)	-	-	-	-	-	(695)	-
	Motilal Oswal Wealth Management Limited	(147)	-	-	-	-	-	(147)	-
	Passionate Investment Management Private Limited	-	-	(1)	-	-	-	(1)	-
	Motilal Oswal Commodities Broker Private Limited	(3)	-	-	-	-	-	(3)	-
	Textile Exports Private limited	-	-	-	-	16	-	16	-
	Motilal Oswal Securities International Private Limited	(7)	-	-	-	-	-	(7)	-
Total rent (received)		(1,977)	(658)	(1)	-	-	-	(1,978)	(658)
Total rent paid		110	-	-	-	16	-	126	-
Brokerage	Motilal Oswal Investment Advisors Limited	(346)	-	-	-	-	-	(346)	-
	Motilal Oswal	-	-	-	-	(1)	-	(1)	-
	Raamdeo Agarawal	-	-	-	-	(1)	-	(1)	-
Total Brokerage		(346)	-	-	-	(2)	-	(348)	-

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 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Reimbursement of expenses (received)/paid	Motilal Oswal Commodities Broker Private Limited	(10)	(1)	-	-	-	-	(10)	(1)
	Motilal Oswal Commodities Broker Private Limited	1	-	-	-	-	-	1	-
	Motilal Oswal Wealth Management Limited	(68)	(5)	-	-	-	-	(68)	(5)
	Motilal Oswal Wealth Management Limited	30	-	-	-	-	-	30	-
	Motilal Oswal Investment Advisors Limited	(180)	(9)	-	-	-	-	(180)	(9)
	MOPE Investment Advisors Private Limited	(56)	(6)	-	-	-	-	(56)	(6)
	Motilal Oswal Capital Markets (Singapore) Pte. Limited	(34)	-	-	-	-	-	(34)	-
	Motilal Oswal Asset Management Company Limited	(624)	(8)	-	-	-	-	(624)	(8)
	Aspire Home Finance Corporation Limited	1	-	-	-	-	-	1	-
	Aspire Home Finance Corporation Limited	(153)	(2)	-	-	-	-	(153)	(2)
	Motilal Oswal Fincap Private Limited	2	(3)	-	-	-	-	2	(3)
	Motilal Oswal Asset Management Company Limited	143	-	-	-	-	-	143	-
Total reimbursement of expenses (received)		(1,125)	(33)	-	-	-	-	(1,125)	(33)
Total reimbursement of expenses paid		177	-	-	-	-	-	177	-
Partnership gain accrued	India Realty Excellence Fund II LLP	-	-	-	-	(1,111)	-	(1,111)	-
Total partnership gain accrued		-	-	-	-	(1,111)	-	(1,111)	-
Gain on sale of investment	India Realty Excellence Fund II LLP	-	-	-	-	233	-	233	-
Total Gain on sale of investment		-	-	-	-	233	-	233	-
Donation	Motilal Oswal Foundation (Trust)	-	-	-	-	426	52	426	52
Total donation paid		-	-	-	-	426	52	426	52
Dividend (received)/paid	Motilal Oswal	-	-	-	-	834	303	834	303
	Raamdeo Agarawal	-	-	-	-	807	293	807	293
	Motilal Oswal-HUF	-	-	-	-	0	0	0	0
	Raamdeo Agarawal (HUF)	-	-	-	-	46	16	46	16
	Suneeta Agarawal	-	-	-	-	21	7	21	7
	Vimla Oswal	-	-	-	-	9	3	9	3
	Rajendra Gopilal Oswal	-	-	-	-	4	1	4	1
	Dr. Karoon Ramgopal Agarawal	-	-	-	-	7	3	7	3
	Vinay R. Agrawal	-	-	-	-	7	3	7	3
	Sukhdeo Ramgopal Agarawal	-	-	-	-	6	2	6	2
	Govinddeo R. Agarawal	-	-	-	-	4	1	4	1
	Suman Agrawal	-	-	-	-	7	3	7	3
	Satish Agrawal	-	-	-	-	6	2	6	2
	Anita Anandmurthy Agrawal	-	-	-	-	6	2	6	2
	Vimladevi Salecha	-	-	-	-	1	0	1	0
	VISU Associates	-	-	-	-	-	0	-	0
	Osag Enterprises LLP	-	-	-	-	0	0	0	0
	Passionate Investment Management Private Limited	-	-	5,403	1,920	-	-	5,403	1,920
	MOPE Investment Advisors Private Limited	(4,578)	(4,853)	-	-	-	-	(4,578)	(4,853)
	Total dividend (received)		(4,578)	(4,853)	-	-	-	-	(4,578)
Total dividend paid		-	-	5,403	1,920	1,765	639	7,168	2,559

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 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Subscription/purchase of equity shares	Aspire Home Finance Corporation Limited	6,500	2,800	-	-	-	-	6,500	2,800
Total		6,500	2,800	-	-	-	-	6,500	2,800
Redemption of investment in preference shares	Motilal Oswal Investment Advisors Limited	-	890	-	-	-	-	-	890
Debenture redemption		-	890	-	-	-	-	-	890
Loans given / (received)	Motilal Oswal Real Estate Investment Advisors II Private Limited	1,275	1,695	-	-	-	-	1,275	1,695
	Motilal Oswal Commodities Broker Private Limited	81,551	27,342	-	-	-	-	81,551	27,342
	Motilal Oswal Asset Management Company Limited	13,975	3,150	-	-	-	-	13,975	3,150
	Motilal Oswal Fincap Private Limited	90	24	-	-	-	-	90	24
	Motilal Oswal Investment Advisors Limited	14,115	1,037	-	-	-	-	14,115	1,037
	MOPE Investment Advisors Private Limited	5,724	1,580	-	-	-	-	5,724	1,580
	Passionate Investment Management Private Limited	-	-	540	-	-	-	540	-
	Motilal Oswal Real Estate Investment Advisors Private Limited	19	30	-	-	-	-	19	30
	Motilal Oswal Wealth Management Limited	6,264	4,908	-	-	-	-	6,264	4,908
	Motilal Oswal Wealth Management Limited	(1,650)	-	-	-	-	-	(1,650)	-
	India Realty Excellence Fund II LLP	-	-	-	-	21	9,510	21	9,510
Total Loans given / (received)		1,21,363	39,766	540	-	21	9,510	1,21,924	49,276
Loans repayment (received) / given	Motilal Oswal Real Estate Investment Advisors II Private Limited	(1,859)	(1,083)	-	-	-	-	(1,859)	(1,083)
	Motilal Oswal Commodities Broker Private Limited	(79,979)	(27,344)	-	-	-	-	(79,979)	(27,344)
	Motilal Oswal Asset Management Company Limited	(13,975)	(3,150)	-	-	-	-	(13,975)	(3,150)
	Motilal Oswal Real Estate Investment Advisors Private Limited	(82)	-	-	-	-	-	(82)	-
	MOPE Investment Advisors Private Limited	(5,155)	(1,251)	-	-	-	-	(5,155)	(1,251)
	Motilal Oswal Investment Advisors Limited	(13,880)	(1,256)	-	-	-	-	(13,880)	(1,256)
	Passionate Investment Management Private Limited	-	-	(540)	-	-	-	(540)	-
	Motilal Oswal Wealth Management Limited	1,650	-	-	-	-	-	1,650	-
	Motilal Oswal Wealth Management Limited	(6,404)	(4,469)	-	-	-	-	(6,404)	(4,469)
	India Realty Excellence Fund II LLP	-	-	-	-	(3,210)	(6,404)	(3,210)	(6,404)
Total loans repayment (received) / given		(1,19,684)	(38,553)	(540)	-	(3,210)	(6,404)	(1,23,434)	(44,957)
Rent deposits (received) / repaid	Motilal Oswal Investment Advisors Limited	-	16	-	-	-	-	-	16
	MOPE Investment Advisors Private Limited	-	(93)	-	-	-	-	-	(93)
	Motilal Oswal Asset Management Company Limited	(89)	(160)	-	-	-	-	(89)	(160)
	Motilal Oswal Capital Markets Private Limited	9	-	-	-	-	-	9	-
Total rent deposits (received)		(89)	(253)	-	-	-	-	(89)	(253)
Total rent deposits paid		9	16	-	-	-	-	9	16

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Outstanding balances:

(₹ 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	
		As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-18	As at 31-Mar-17
Corporate guarantees	Motilal Oswal Commodities Broker Private Limited	500	500	-	-	-	-	500	500
Total corporate guarantees		500	500	-	-	-	-	500	500
Loans and advances (payable)/receivable (including interest)	Motilal Oswal Commodities Broker Private Limited	1,568	(0)	-	-	-	-	1,568	(0)
	MOPE Investment Advisors Private Limited	907	332	-	-	-	-	907	332
	Motilal Oswal Investment Advisors Limited	313	75	-	-	-	-	313	75
	Motilal Oswal Asset Management Company Limited	6	0	-	-	-	-	6	0
	Motilal Oswal Real Estate Investment Advisors Private Limited	(0)	70	-	-	-	-	(0)	70
	Motilal Oswal Fincap Private Limited	114	24	-	-	-	-	114	24
	Motilal Oswal Wealth Management Limited	337	477	-	-	-	-	337	477
	Motilal Oswal Real Estate Investment Advisors II Private Limited	396	979	-	-	-	-	396	979
	Passionate Investment Management Private Limited	-	-	1	-	-	-	1	-
	India Realty Excellence Fund II LLP	-	-	-	-	-	3,189	-	3,189
Total loan and advances (payable)		(0)	(0)	-	-	-	-	(0)	(0)
Total loan and advances receivable		3,641	1,957	1	-	-	3,189	3,642	5,146
Other receivables / (payable)	Motilal Oswal Investment Advisors Limited	135	(1)	-	-	-	-	135	(1)
	MOPE Investment Advisors Private Limited	20	-	-	-	-	-	20	-
	Motilal Oswal Wealth Management Limited	19	-	-	-	-	-	19	-
	Motilal Oswal Wealth Management Limited	(77)	-	-	-	-	-	(77)	-
	Motilal Oswal Commodities Broker Private Limited	(3)	-	-	-	-	-	(3)	-
	Motilal Oswal Commodities Broker Private Limited	30	-	-	-	-	-	30	-
	Motilal Oswal Real Estate Investment Advisors II Private Limited	0	32	-	-	-	-	0	32
	Motilal Oswal Asset Management Company Limited	1,313	0	-	-	-	-	1,313	0
	Motilal Oswal Capital Markets Limited	(6)	0	-	-	-	-	(6)	0
	Motilal Oswal Capital Markets (Singapore) Private Limited	34	-	-	-	-	-	34	-
	Motilal Oswal Capital Markets (Singapore) Private Limited	(245)	-	-	-	-	-	(245)	-
	Motilal Oswal Capital Markets (Hongkong) Private Limited	55	-	-	-	-	-	55	-
	Motilal Oswal Fincap Private Limited	(3)	-	-	-	-	-	(3)	-
	Motilal Oswal Fincap Private Limited	3	-	-	-	-	-	3	-
	Motilal Oswal Securities International Private Limited	(53)	-	-	-	-	-	(53)	-
	Aspire Home Finance Corporation Limited	305	5	-	-	-	-	305	5
Total others receivables		(386)	(1)	-	-	-	-	(386)	(1)
Total others (payables)		1,914	37	-	-	-	-	1,944	37
Rent deposits (liabilities) / assets	Motilal Oswal Investment Advisors Limited	(56)	(56)	-	-	-	-	(56)	(56)
	Motilal Oswal Fincap Private Limited	(6)	(6)	-	-	-	-	(6)	(6)
	MOPE Investment Advisors Private Limited	(139)	(139)	-	-	-	-	(139)	(139)
	Motilal Oswal asset Management Company Limited	(400)	(221)	-	-	-	-	(400)	(221)
	Motilal Oswal Wealth Management Limited	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)		(1,027)	(422)	(1)	-	-	-	(1,027)	(422)
Total rent deposits assets		55	-	-	-	-	-	55	-

NOTES TO FINANCIAL STATEMENT *(Contd..)*

(b) Maximum balance in respect of loan and advances to 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	
		As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-18	As at 31-Mar-17
Loans and advances (maximum balance)#	Motilal Oswal Real Estate Investment Advisors II Private Limited	1,189	979	–	–	–	–	1,189	979
	Motilal Oswal Commodities Broker Private Limited	7,200	3,986	–	–	–	–	7,200	3,986
	Motilal Oswal asset Management Company Limited	4,300	900	–	–	–	–	4,300	900
	Motilal Oswal Fincap Private Limited	114	24	–	–	–	–	114	24
	MOPE Investment Advisors Private Limited	1,151	390	–	–	–	–	1,151	390
	Motilal Oswal Investment Advisors Limited	(3,105)	389	–	–	–	–	(3,105)	389
	Passionate Investment Management Private Limited	–	–	290	–	–	–	290	–
	Motilal Oswal Real Estate Investment Advisors Private Limited	82	63	–	–	–	–	82	63
	Motilal Oswal Wealth Management Limited	1,254	3,157	–	–	–	–	1,254	3,157
	India Realty Excellence Fund II LLP	–	–	–	–	3,189	3,205	3,189	3,205
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	5,027	–	–	–	–	4,137	5,027
	Motilal Oswal asset Management Company Limited	–	–	–	–	–	–	–	–
	MOPE Investment Advisors Private Limited	5	5	–	–	–	–	5	5
	Motilal Oswal Fincap Private Limited	300	300	–	–	–	–	300	300
	Aspire Housing Finance Corporation Limited	55,644	7,686	–	–	–	–	55,644	7,686
	Motilal Oswal Capital Markets Private Limited	35	–	–	–	–	–	35	–
	Motilal Oswal Securities International Private Limited	457	–	–	–	–	–	457	–
	Motilal Oswal Wealth Management Limited	1,226	–	–	–	–	–	1,226	–
	Motilal Oswal Asset Management Company Limited	6,501	–	–	–	–	–	6,501	–
	Motilal Oswal Trustee Company Limited	10	–	–	–	–	–	10	–
	Motilal Oswal Capital Markets (Honkong) Private Limited	412	–	–	–	–	–	412	–
	Motilal Oswal Capital Markets (Singapore) Pte Limited	1,041	–	–	–	–	–	1,041	–
	India Realty Excellence Fund II LLP	–	–	–	–	4,692	–	4,692	–
Maximum 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	5,027	–	–	–	–	4,137	5,027
	MOPE Investment Advisors Private Limited	5	5	–	–	–	–	5	5
	Motilal Oswal Fincap Private Limited	300	300	–	–	–	–	300	300
	Aspire Housing Finance Corporation Limited	55,644	7,800	–	–	–	–	55,644	7,800
	Motilal Oswal Capital Markets Private Limited	35	–	–	–	–	–	35	–
	Motilal Oswal Securities International Private Limited	457	–	–	–	–	–	457	–
	Motilal Oswal Wealth Management Limited	1,226	–	–	–	–	–	1,226	–
	Motilal Oswal Asset Management Company Limited	6,501	–	–	–	–	–	6,501	–
	Motilal Oswal Trustee Company Limited	10	–	–	–	–	–	10	–
	Motilal Oswal Capital Markets (Honkong) Private Limited	412	–	–	–	–	–	412	–
	Motilal Oswal Capital Markets (Singapore) Pte Limited	1,041	–	–	–	–	–	1,041	–
	India Realty Excellence Fund II LLP	–	–	–	–	7,652	–	7,652	–

* As at 31 March 2018, the Company has mortgaged its Immovable Property 'Motilal Oswal Tower' (Gross block ₹ 26,113 lakhs [Previous year ₹ 16,942 lakhs] and Net Value ₹ 19,684 lakhs [Previous year ₹ 13,526 lakhs] as at 31 March 2018) to HDFC Bank Limited for the banking facilities availed by Transferor company.

** 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..)*

Note 51 : 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

The activity in the (ESOS-III), (ESOS-V),(ESOS-VI), ESOS (VII) and ESOS (VIII) during the year ended 31 March 2018 and 31 March 2017 is set below:

Particulars	For the year ended 31-Mar-18		For the year ended 31-Mar-17	
	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	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	–	NA	9,250	103.78
Exercisable at the end of the year	–	–	–	–
ESOS-V : (Face value of ₹ 1 each)				
Option outstanding as at beginning of the year	9,94,090	257.74	11,95,925	208.70
Add Granted	–	–	88,075	572.30
Less: Exercised	4,37,950	268.80	2,71,410	142.63
Less: Forfeited	–	NA	–	NA
Less: Lapsed	–	NA	18,500	148.20
Option outstanding as at end of the year	5,56,140	249.03	9,94,090	257.74
Exercisable at the end of the year	32,500	–	1,62,875	–

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Particulars	For the year ended 31-Mar-18		For the year ended 31-Mar-17	
	In Numbers	Weighted Average Exercise Price (In ₹)	In Numbers	Weighted Average Exercise Price (In ₹)
ESOS-VI : (Face value of ₹ 1 each)				
Option outstanding as at beginning of the year	4,26,669	296.97	20,29,350	157.56
Add Granted	–	NA	1,45,150	572.75
Less: Exercised	73,442	271.17	17,01,581	108.29
Less: Forfeited	–	NA	–	NA
Less :Lapsed	–	NA	46,250	102.73
Option outstanding as at end of the year	3,53,227	302.33	4,26,669	296.97
Exercisable at the end of the year	90,200	–	9,792	–
ESOS-VII : (Face value of ₹ 1 each)				
Option outstanding as at beginning of the year	21,89,590	414.30	24,32,500	333.85
Add Granted	–	NA	7,07,750	569.52
Less: Exercised	1,14,690	441.23	3,10,410	331
Less :Lapsed	–	NA	6,40,250	330.58
Option outstanding as at end of the year	20,74,900	412.81	21,89,590	414.30
Exercisable at the end of the year	–	–	46,090	–

Employees' Stock Options Scheme (ESOS) :

During the year, Nil Employee Stock Options have been granted to the employees of the Company and its subsidiary Companies (Previous year 9,40,975).

Effective 1 April 2017, the Company 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 ₹1838 Lakhs has been debited to the Statement of profit and loss of the year ended 31 March 2018. Had the Company continued to use the earlier method of accounting profit before tax would have been higher by ₹1838 Lakhs for the year ended 31 March 2018.

The weighted average share price for stock options exercised during the year was ₹300.66 (previous year ₹ 520.76)

Particulars	Scheme III	Scheme V	Scheme VI	Scheme VII
Date of grant	Various Dates	Various Dates	Various Dates	Various Dates
Date of board approval	Various Dates	Various Dates	Various Dates	Various Dates
Date of Shareholder's approval	3 February 2006 and 28 April 2006	4 December 2007	8 July 2008	22 August 2014
Number of options granted	25,23,000	50,88,325	74,10,100	32,17,750
Method of settlement	Equity shares	Equity shares	Equity shares	Equity shares
Vesting period	2 months to 5 years	1 year to 5 years	1 year to 5 years	1 years to 7 years
Weighted average remaining contractual life (Vesting period)				
Granted but not vested	NA	1.51 years (Previous year 2.50 years)	2.19 years (Previous year 2.72 years)	1.96 years (Previous year 2.97 years)
Vested but not exercised	NA	0.00 years (Previous year 0.24 years)	0.50 years (Previous year 0.25 years)	NA (Previous year 1 years)
Weighted average share price at the date of exercise for stock options exercised during the year	NA	₹ 1086.99 (Previous year ₹ 343.19)	₹ 1127.32 (Previous year ₹ 529.10)	₹ 1072.67 (Previous year 636.31)

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Particulars	Scheme III	Scheme V	Scheme VI	Scheme VII
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	NA	₹ 111.42 (Previous year ₹ 111.42)	₹ 126.91 (Previous year ₹ 126.91)	₹ 165.99 (Previous year ₹ 165.99)
Range of Risk free interest rate	NA	6.05% - 7.8%	6.05% - 7.8%	6.97% - 7.8%
Dividend yield	NA	1%	1%	1%
Expected volatility	NA	40%	40%	40%

Exercise Pricing Formula

Scheme III

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 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.

Other Information regarding employee share based payment plan is as below

Particulars	For the year ended	For the year ended
	31-Mar-18 ₹ in Lakhs	31-Mar-17 ₹ in Lakhs
Expense arising from employee share based payment plans	1,838	—
Expense arising from share and stock option Plan	—	—
Total carrying amount at the end of the period of ESOP Reserve	2,119	—

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Note 52:

All the figures presented in the disclosures as per guidelines for NBFC-ND-SI as regards to capital adequacy, liquidity and other disclosure norms, have been presented based on the financial statement of the Transferee company without giving effect to the Scheme of Merger.

Disclosures as per guidelines for NBFC-ND-SI as regards capital adequacy, liquidity and disclosure norms

A. Capital Adequacy

Sr. No.	Particulars	As at 31-Mar-18	As at 31-Mar-17
i)	CRAR (%)	46.90%	39.31%
ii)	CRAR - Tier I Capital (%)	46.80%	39.20%
iii)	CRAR - Tier II Capital (%)	0.10%	0.11%
iv)	Amount of subordinated debt raised as Tier-II capital	–	–
v)	Amount raised by issue of Perpetual Debt Instruments	–	–

B. Investments

Sr. No.	Particulars	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
1)	Value of investments		
(i)	Gross value of investments		
(a)	In India	64,798	65,978
(b)	Outside India	–	–
(ii)	Provisions for depreciation*		
(a)	In India	227	137
(b)	Outside India	–	–
(iii)	Net value of investments		
(a)	In India	64,571	65,841
(b)	Outside India	–	–
(2)	Movement of provisions held towards depreciation on investments		
(i)	Opening balance	137	17
(ii)	Add : Provisions made during the year	90	120
(iii)	Less : Write-off / write-back of excess provisions during the year	–	–
(iv)	Closing balance	227	137

*Provision for depreciation includes provision for diminution in value of Investment.

C. Derivatives

The Company has no transactions/exposure in derivative during the current and previous year.

The Company has no unhedged foreign currency exposure as on March 31, 2018 (Previous Year: Nil)

D. Disclosures relating to securitisation

- The Company has not entered into securitisation transactions during the current and previous year.
- Details of financial assets sold to securitisation/reconstruction company for asset reconstruction: The Company has not sold any financial assets to securitisation/reconstruction company for asset reconstruction in the current and previous year."
- Details of assignment transactions: There are no assignment transaction during the current and previous year
- Details of non-performing financial assets purchased/sold - The Company has not purchased/sold any non-performing financial asset during the current and previous year.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

E) i) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

₹ in lakhs

Particulars	As at 31-Mar-18								Total
	Upto 30 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	
Assets									
Advances	11,500	7,000	6,000	4,777	–	–	–	–	29,277
Investments	–	–	–	–	–	6,816	42,051	15,705	64,571
Foreign currency assets	–	–	–	–	–	–	–	–	–
Liabilities									
Borrowings (Refer note 2)	10,000	11,829	10,000	–	–	–	–	–	31,829
Deposits (Refer note 3)	–	–	–	–	–	–	–	–	–
Foreign currency liabilities	–	–	–	–	–	–	–	–	–

ii) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities.

₹ in lakhs

Particulars	As at 31-Mar-17								Total
	Upto 30 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	
Assets									
Advances	7,000	8,000	6,000	5,000	7,421	–	–	–	33,421
Investments	–	–	–	–	8,000	3,411	38,151	16,279	65,841
Foreign currency assets	–	–	–	–	–	–	–	–	–
Liabilities									
Borrowings (Refer note 2)	13,403	17,356	–	–	5,000	10,000	–	–	45,759
Deposits (Refer note 3)	–	–	–	–	–	–	–	–	–
Foreign currency liabilities	–	–	–	–	–	–	–	–	–

Note:

1. The above maturity pattern is determined on management estimation.
2. Borrowing does not include accrued interest on borrowings
3. The Company does not accept public deposits.
4. Terms and conditions of the advances does not have any repayment schedule. They are repayable on demand. Hence the categorization of advances over various maturity patterns as shown above is as per the past trends, which has been identified by the management and relied upon by the auditors.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

F. Exposures

F.1 Exposure to real estate sector

Sr. Category No.	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
a) Direct exposure		
(i) Residential mortgages - Lending fully secured by mortgages on residential borrower that is or will be occupied by the borrower or that is rented	206	156
(ii) Commercial real estate - Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits (Refer below note 4)	—	—
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	—	—
b. Commercial real estate	—	—
b) Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	11,186	7,686
Others	5,707	6,175
Total exposure to real estate sector	17,099	14,017

F.2 Exposure to capital market

Sr. Particulars No.	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	57,755	58,430
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	10,065	11,352
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;*	—	1,310
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;*	—	—
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	10,209	8,597
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipate on of raising resources;*	—	—
(vii) bridge loans to companies against expected equity flows / issues;*	—	—
(viii) all exposures to Venture Capital Funds (both registered and unregistered)	6,179	9,558
Total exposure to capital market	84,208	89,247

*These details are as identified and represented by the management and relied upon by the auditors

NOTES TO FINANCIAL STATEMENT *(Contd..)*

F.3 Details of financing of parent Company products: Nil (Previous year Nil)

F.4 Details of Single borrower limits (SBL) / Group borrower limit (GBL) exceeded by the applicable NBFC

The Company has not exceeded the Single Borrower Limit (SBL) or Group Borrower Limit (GBL) as defined in RBI (Previous year : Nil).

F.5 Unsecured advances

During the year, the Company has not given any advance against collateral of rights, licenses, authority, etc. (Previous year : Nil).

G Miscellaneous

G.1 Registration obtained from other financial sector regulators

No registration has been obtained from other financial sector regulators.

G.2 Penalties or Fines imposed by Reserve Bank of India

During the Financial year 2017-18, no penalties or fines have been imposed by Reserve Bank of India (Previous year : Nil).

G.3 Related Party Transactions

Refer note no. 50 for transaction with related parties

G.4 Ratings assigned by credit rating agencies and migration of ratings during the year

- 1) Crisil Limited reaffirmed the Credit Rating of ""CRISIL A1+"" (pronounced 'CRISIL A One Plus') to the Commercial Paper Programme of ₹ 25,000 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 ₹ 25,000 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 of ₹ 15,000 lakhs in previous year (current year: not applicable).

These ratings indicate strong degree of safety regarding timely servicing of financial obligations "

G.5 Remuneration of Directors (Non-executive)

Particulars	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
Sitting fees	4	4
Commission	15	12

H Additional disclosures

H.1 Provisions and contingencies

Break up of 'provisions and contingencies' shown under the head expenditure in profit and loss account

	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
Provisions for depreciation on Investment	90	120
Provision towards NPA	80	3
Provision made towards Income tax	3,276	(58)
Other provision and contingencies (with details)*	247	92
Provision for standard assets	(6)	53
*Other provisions and contingencies		
Provision for employee benefits	58	7
Provision for ex-gratia	189	83
Provision for compensated absence	(0)	3
	247	93

H.2 Drawn down from reserve

No draw down from reserve during the year (Previous year: Nil)

NOTES TO FINANCIAL STATEMENT *(Contd..)*

H.3 Concentration of advances

Particulars	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Total advances to twenty largest borrowers	19,888	23,063
Percentage of advances to twenty largest borrowers to total advances of the Company (%)	67.93%	69.01%

*Largest borrowers are based on closing balance

H.4 Concentration of exposures

Particulars	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Total Exposure to twenty largest borrowers	34,823	44,000
Percentage of exposure to twenty largest borrowers to total exposure of the Company (%)	31.21%	40.26%

H.5 Concentration of NPAs

Particulars	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Total exposure to top four NPA accounts	895	26

H.6 Sector - wise NPAs

Percentage of NPAs to Total Advances in that sector

Sr. No.	Sector	As at 31-Mar-18	As at 31-Mar-17
1	Agriculture and allied activities	—	—
2	MSME	—	—
3	Corporate borrowers	0.10%	0.11%
4	Services	—	—
5	Unsecured personal loans	—	—
6	Auto loans	—	—
7	Other personal loans	8.73%	0.09%

H.7 Movement of NPAs

Sr. No.	Particulars	As at 31-Mar-18	As at 31-Mar-17
(i)	Net NPAs to Net Advances (%)	2.72%	0.00%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	26	3,725
	(b) Additions during the year	877	—
	(c) Reductions during the year	(8) 3,699	—
	(d) Closing balance	895	26
(iii)	Movement of Net NPAs		
	(a) Opening balance	—	2,835
	(b) Additions during the year	789	—
	(c) Reductions during the year	—	2,835
	(d) Closing balance	789	—
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	26	889
	(b) Provisions made during the year	88	3
	(c) Write-off / (write-back) of excess provisions	(8) (866)	—
	(d) Closing balance	106	26

NOTES TO FINANCIAL STATEMENT *(Contd..)*

H.8 Overseas assets (for those with joint ventures and subsidiaries abroad)

Sr. Name of the joint venture/ subsidiary No	Other Partner in the JV	Country	Total Assets as at 31-Mar-18	Total Assets as at 31-Mar-17
a) Motilal Oswal Capital Markets (Hong Kong) Private Limited (Subsidiary)	NA	Hong Kong	175	84
b) Motilal Oswal Capital Markets (Singapore) Pte. Limited (Subsidiary)	NA	Singapore	1,255	1,100
c) India Business Excellence Management Company (Subsidiary)	NA	Mauritius	1,829	1,212
d) Motilal Oswal Asset Management (Mauritius) Private Limited (Subsidiary)	NA	Mauritius	133	54

Note: Subsidiaries includes step-down subsidiaries

H.9 Off Balance Sheet SPV sponsored

The Company does not have any off balance sheet SPV sponsored (Previous year : Nil).

I) Disclosures of Compliant

I.1 Customer Complaints*

Sr. Particulars No	As at 31-Mar-18	As at 31-Mar-17
a) Number of customer complaints pending at the beginning of the year	-	-
b) Number of customer complaints received during the financial year	1	3
c) Number of customer complaints redressed during the financial year	1	3
d) Number of customer complaints pending at the end of the year	-	-

*Details of customer complaints given here are as represented by the management and relied upon by the auditors.

J) Schedule to the Balance Sheet of “Motilal Oswal Financial Services Limited” as at 31 March 2018 and 31 March 2017 (as required in terms of paragraph 13 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 (without giving effect to the merger)

Particulars	As at 31-Mar-18 ₹ in Lakhs		As at 31-Mar-17 ₹ in Lakhs	
	Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
Liabilities side :				
1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
(a) Debentures : Secured	-	-	10,344	-
: Unsecured	-	-	-	-
(other than falling within the meaning of public deposits)				
(b) Deferred Credits	-	-	-	-
(c) Term Loans	10,688	-	10,688	-
(d) Inter-corporate loans and borrowing	4	-	-	-
(e) Commercial paper	11,857	-	19,820	-
(f) Other loans (Borrowings)	10,035	-	6,006	-

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Assets side :		As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
2)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]	Amount outstanding	Amount outstanding
	(a) Secured	17,214	20,072
	(b) Unsecured	12,064	13,350
		29,278	33,422
3)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	–	–
	(b) Operating lease - Refer note 5 below	8,198	7,639
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	–	–
	(b) Repossessed Assets	–	–
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	–	–
	(b) Loans other than (a) above	–	–
4)	Break-up of Investments :		
	Current Investments :		
	1. Quoted		
	(i) Shares : (a) Equity	–	–
	(b) Preference	–	–
	(ii) Debentures and bonds	–	–
	(iii) Units of mutual funds	–	–
	(iv) Government securities	–	–
	(v) Others (please specify)	–	–
	2. Unquoted		
	(i) Shares : (a) equity	–	8,000
	(b) preference	–	–
	(ii) Debentures and bonds	–	–
	(iii) Units of mutual funds	–	–
	(iv) Government securities	–	–
	(v) Others (please specify)	–	–
	Long term Investments :		
	1. Quoted		
	(i) Shares : (a) Equity	–	–
	(b) Preference	–	–
	(ii) Debentures and bonds	–	–
	(iii) Units of mutual funds	–	–
	(iv) Government Securities	–	–
	(v) Others (please specify)	–	–
	2. Unquoted		
	(i) Shares : (a) Equity	15,705	12,279
	(b) Preference	–	–
	(ii) Debentures and bonds	–	700
	(iii) Units of mutual funds	42,051	38,151
	(iv) Government Securities	–	–
	(v) Others (Investment in Private equity funds and Investment Property)	6,816	6,711
	TOTAL	64,572	65,841

NOTES TO FINANCIAL STATEMENT *(Contd..)*

(₹ in Lakhs)

5) Borrower group-wise classification of assets financed as in (2) and (3) above:	Amount net of provision (Refer Note No. 6)		
	As at 31-Mar-18		
Category	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	–	19,205	19,205
(b) Companies in the same group	–	–	–
(c) Other related parties	–	–	–
2. Other than related parties	17,126	1,039	18,165
TOTAL	17,126	20,244	37,370

(₹ in Lakhs)

Category	Amount net of provision (Refer Note No. 6)		
	As at 31-Mar-17		
Category	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	–	16,594	16,594
(b) Companies in the same group	–	–	–
(c) Other related parties	–	–	–
2. Other than related parties	20,072	4,429	24,501
TOTAL	20,072	21,023	41,095

(₹ in Lakhs)

6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)	As at 31-Mar-18		As at 31-Mar-17	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties				
(a) Subsidiaries (Refer note 3)	1,31,933	15,705	1,05,932	12,279
(b) Companies in the same group	–	–	–	–
(c) Other related parties	–	–	–	–
2. Other than related parties (Refer note 4)	75,298	48,866	73,118	53,562
TOTAL	2,07,231	64,571	1,79,050	65,841

(₹ in Lakhs)

7) Other Information	As at 31-Mar-18	As at 31-Mar-17
Particulars		
(i) Gross non- performing assets	895	26
(a) Related parties	–	–
(b) Other than related parties	895	26
(ii) Net non- performing assets	–	–
(a) Related parties	–	–
(b) Other than related parties	789	–
(iii) Assets acquired in satisfaction of debt	–	–

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Notes:

- Provisioning norms shall be applicable as prescribed in Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 whichever is applicable.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt.
- In respect of investment in subsidiaries, Net Asset value is computed on the basis of book value.
- In respect of investment in Private Equity fund, unquoted debentures and Investment in property, book value has been taken as fair value due to unavailability of fair value and for investment in mutual funds, NAV has been taken for calculation of fair value.
- Lease assets include the value of Fixed Assets at Written Down Value.
- The figures are not netted with provision against standard assets as it is not a specific provision.
- Exposure to related party by way of demand loans are considered at the closing balance of the demand loan as on 31 March 2018.

Note 53 :

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 54 : 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 2017-18. CSR initiatives majorly includes supporting under privileged in education, medical treatments, etc and various other charitable and noble aids.”

- Gross amount required to be spent by the Company during the year ₹ 319 lakhs (Previous year ₹ 58 lakhs)
- Amount spent during the year ended 31 March 2018 on :

Particulars	Amount paid	Yet to be paid	(₹ in Lakhs)
			Total
a) Construction/acquisition of any asset	17	–	17
b) on purposes other than (a) above	353	–	353
TOTAL	370	–	370

Amount spent during the period ended 31 March 2017 on :

Particulars	Amount paid	Yet to be paid	Total
			Total
a) Construction/acquisition of any asset	8	7	15
b) on purposes other than (a) above	44	–	44
TOTAL	52	7	59

- Above includes a contribution of ₹ 250 lakhs (Previous year ₹ 52 lakhs) to Motilal Oswal Foundation which is classified as related party under Accounting Standard 18- “Related Party Disclosures”.
- The Company has provision for corporate social responsibility expenses of ₹ Nil (Previous year ₹ 7 lakhs) which is already paid through Motilal Oswal Foundation.

Note 55 :

Previous year figures have been regrouped/reclassified wherever necessary. Due to the merger of Transferor Company with the Transferee Company from appointed date of 1 April 2017, the figures of the current year will not be comparable to the corresponding figures of the previous year.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Note 56 : Discontinuing Operations

The Board wide resolution passed by circulation on 10 January 2018 has made partial modification to resolution dated 4 November 2017, so as to transfer the Company's lending business to existing wholly owned subsidiary of the Company, namely, Motilal Oswal Capital Markets Limited ("MOCML"). The Company has transferred the lending business by way of a slump sale on a going concern basis to MOCML as contemplated in the Business Transfer Agreement ("BTA") dated 20 August 2018 for a consideration of ₹ 5,000 lakhs (subject to usual post completion adjustments).

Accordingly, all the assets, liabilities, income, expenses and cash flow relating to lending business as identified by the management and relied upon by the auditors, has been disclosed as discontinuing operations.

The carrying amounts of total assets and liabilities of discontinuing operations are as follows:

Particulars	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Assets		
Non-Current Assets		
Property, Plant & Equipment	4	3
	<u>4</u>	<u>3</u>
Current Assets		
Cash and bank balances	–	220
Short-term Loans & Advances	21,895	33,421
	<u>21,895</u>	<u>33,641</u>
	21,899	33,644
	<u><u>21,899</u></u>	<u><u>33,644</u></u>
Liabilities		
Current Liabilities		
Short-term Borrowings	16,875	25,759
Other Current Liabilities	288	2,651
Short-term Provisions	224	146
	<u>17,387</u>	<u>28,556</u>
	17,387	28,556
	<u><u>17,387</u></u>	<u><u>28,556</u></u>
Net Assets Held for Sale	4,512	5,088
	<u><u>4,512</u></u>	<u><u>5,088</u></u>

The following statement shows the revenue and expenses of discontinuing operations:

Particulars	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
Revenue		
(a) Income from operations	3,462	4,369
Total revenue	3,462	4,369
Expenses		
(a) Employee benefits expense	1,008	806
(b) Finance cost	2,618	3,150
(c) Depreciation and amortization expenses	2	2
(d) Operating expenses	–	–
(e) Other expenses	726	594
Total expenses	4,354	4,552
Loss from discontinuing operating before tax	(892)	(183)
Tax on discontinuing operating	(312)	(63)
Loss from discontinuing operating after tax	(580)	(120)

NOTES TO FINANCIAL STATEMENT *(Contd..)*

The net cash flows attributable to the discontinuing operations are stated below:

Particulars	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
Cash flow from operating activities	11,027	(10,460)
Cash flow from investing activities	—	—
Cash flow from financing activities	(11,535)	10,547
	(508)	87

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 : 21st August, 2018

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 : 21st August, 2018

Raamdeo Agarawal

Joint Managing Director

DIN : 00024533

Kailash Purohit

Company Secretary



Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Members of MOTILAL OSWAL FINANCIAL SERVICES LIMITED

Report on the Consolidated Financial Statements

1. This Report is issued in supersession of our earlier report dated 21 May 2018.
2. 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 2018, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, refer paragraph 10 below.

Management's Responsibility for the Consolidated Financial Statements

3. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Holding Company's Board of Directors and the respective Board of Directors/management of the subsidiaries included in the Group, and its associate are responsible for the design, implementation and maintenance of internal control 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. 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 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.

Auditor's Responsibility

4. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
5. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
6. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.
7. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

8. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 11 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

9. 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and its associate as at 31 March 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

10. We draw attention to Note 31 of the accompanying consolidated financial statement which describes that the consolidated financial statements of the Company for the year ended 31 March 2018, approved by the Board of Directors in its meeting held on 21 May 2018, have been revised prior to placing of these in the Annual General Meeting for consideration by the shareholders, so as to give effect to the scheme of merger entered between the Company, Motilal Oswal Securities Limited (wholly owned subsidiary) and their respective shareholders ('the Scheme'). The Scheme was approved by the Honourable National Company Law Tribunal, Mumbai Bench ('NCLT') vide its order dated 30 July 2018, which was filed by the Company with the Registrar of Companies on 21 August 2018 and has an appointed date of 1 April 2017, which has been given effect to as decided by the Board of Directors. These financial statements have now been approved by the Board of Directors on 21 August 2018 and our report dated 21 May 2018, stands updated only to the extent of giving effect to the referred Scheme. Further, our audit procedures on the subsequent events for the period 21 May 2018 to 21 August 2018 are restricted solely to such amendment of the accompanying consolidated financial statements. Our opinion is not modified in respect of this matter.

Other Matters

11. We did not audit the financial statements nine subsidiaries; whose financial statements reflect total assets of ₹ 569,781 lakhs and net assets of ₹ 100,801 lakhs as at 31 March 2018, total revenues of ₹ 99,484 lakhs and net cash inflows amounting to ₹ 12,302 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 of ₹ 906 lakhs for the year ended 31 March 2018, as considered in the consolidated financial statements, in respect of one associate, whose financial statement have not been audited by us. These financial statements have been audited by other auditors whose reports have 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 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 associate, is based solely on the reports of the other auditors.

Further, of these subsidiaries and associate, three subsidiaries, 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 subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries 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.

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

12. We did not audit the financial statement of one subsidiary whose financial statements reflect total assets of ₹ 1,255 lakhs and net assets of ₹ 1,179 lakhs as at 31 March 2018, total revenues of ₹ 244 lakhs and net cash outflow amounting to ₹ 39 lakhs for the year ended on that date, as considered in the consolidated financial statements. This financial statement is unaudited and 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 disclosures included in respect of this subsidiary 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 subsidiary, are based solely on such unaudited financial statement. In our opinion and according to the information and explanations given to us by the management, these financial statements are 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.

13. The consolidated financial statements of the Company for the year ended 31 March 2017 were audited by predecessor auditor of the Company, whose report dated 27 April 2017, expressed an unmodified opinion on those statements. Our audit report is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

14. 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 and associate, 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 reports on the accounts of the subsidiary companies and associate covered under the Act, audited by other auditors, as applicable, and have been properly dealt with in preparing this report;
 - d) 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;
 - e) in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - f) 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 and associate covered under the Act, none of the directors of the Group companies, and its associate covered under the Act, are disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
 - g) with respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies, and associate covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure I';
 - h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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:

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

- (i) the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, and its associate as detailed in Note 33(B)(b) to the consolidated financial statements;
- (ii) the Group and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- (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 covered under the Act; and
- (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 financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. 001076N/N500013

Sudhir N. Pillai

Partner

Membership No.: 105782

Place : Mumbai

Date : 21 August 2018

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Annexure I to the Independent Auditor's Report of even date to the members of Motilal Oswal Financial Services Limited, on the consolidated financial statements for the year ended 31 March 2018

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. This Report is issued in supersession of our earlier report dated 21 May 2018.
2. In conjunction with our audit of the consolidated financial statements of Motilal Oswal Financial Services Limited ('the Holding Company') 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 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its subsidiary companies which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

3. The respective Board of Directors of the Holding Company, its 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 the 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

4. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary companies as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the 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 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.
5. 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.
6. 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 Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

7. 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

8. 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.

Emphasis of Matter

9. We draw attention to Note 31 of the accompanying consolidated financial statement which describes that the consolidated financial statements of the Company for the year ended 31 March 2018, approved by the Board of Directors in its meeting held on 21 May 2018, have been revised prior to placing of these in the Annual General Meeting for consideration by the shareholders, so as to give effect to the scheme of merger entered between the Company, Motilal Oswal Securities Limited (wholly owned subsidiary) and their respective shareholders ('the Scheme'). The Scheme was approved by the Honourable National Company Law Tribunal, Mumbai Bench ('NCLT') vide its order dated 30 July 2018, which was filed by the Company with the Registrar of Companies on 21 August 2018 and has an appointed date of 1 April 2017, which has been given effect to as decided by the Board of Directors. These financial statements have now been approved by the Board of Directors on 21 August 2018 and our report dated 21 May 2018, stands updated only to the extent of giving effect to the referred Scheme. Further, our audit procedures on the subsequent events for the period 21 May 2018 to 21 August 2018 are restricted solely to such amendment of the accompanying consolidated financial statements. Our opinion is not modified in respect of this matter.

Opinion

10. In our opinion and based on the consideration of the reports of the other auditors on IFCoFR of the subsidiary companies, the Holding Company and its subsidiary companies 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 2018, 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

11. 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 ₹ 567,645 lakhs and net assets of ₹ 99,542 lakhs as at 31 March 2018, total revenues of ₹ 90,415 lakhs and net cash inflows amounting to ₹ 11,797 lakhs 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 Registration No. 001076N/N500013

Sudhir N. Pillai

Partner

Membership No.: 105782

Place : Mumbai

Date : 21 August 2018

CONSOLIDATED BALANCE SHEET

Particulars	Note No.	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
I. EQUITY AND LIABILITIES			
1. Shareholders funds			
(a) Share capital	3	1,451	1,445
(b) Reserves and surplus	4	2,25,403	1,77,158
		2,26,854	1,78,603
2. Minority interest			
3. Non-current liabilities			
(a) Long-term borrowings	5	3,23,292	3,70,341
(b) Deferred tax liabilities (net)	6	5,346	3,947
(c) Other long-term liabilities	7	165	165
(d) Long-term provision	8	8,934	3,249
		3,37,737	3,77,702
4. Current liabilities			
(a) Short-term borrowings	9	1,06,066	94,303
(b) 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	10	1,32,039	1,02,168
(c) Other current liabilities	11	1,63,550	78,016
(d) Short-term provisions	12	16,694	10,495
		4,18,349	2,84,982
		9,86,451	8,44,140
II. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Property, plant and equipment	13	27,943	28,067
(ii) Intangible assets	13	1,377	956
(iii) Intangible assets under development		11	–
(b) Non-current investments	14(a)	1,78,612	1,32,551
(c) Deferred tax asset (net)	15	1,436	250
(d) Long-term loans and advances	16	4,86,580	4,16,167
(e) Other non-current assets	17	306	364
		6,96,265	5,78,355
2. Current assets			
(a) Current investments	14(b)	28,000	44,483
(b) Inventories	18	27	18
(c) Trade receivables	19	1,04,339	1,26,018
(d) Cash and bank balances	20	44,922	46,252
(e) Short-term loans and advances	21	1,05,158	45,829
(f) Other current assets	22	7,740	3,185
		2,90,186	2,65,785
		9,86,451	8,44,140

Summary of significant accounting policies and other explanatory information to the consolidated financial statements 1-61

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
Motil Oswal Financial Services Limited

Sudhir N. Pillai
Partner
Membership Number: 105782

Motil Oswal
Chairman and Managing Director
DIN : 00024503

Raamdeo Agarawal
Joint Managing Director
DIN : 00024533

Shalibhadra Shah
Chief Financial Officer

Kailash Purohit
Company Secretary

Place : Mumbai
Date : 21st August, 2018

Place : Mumbai
Date : 21st August, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Particulars	Note No.	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
Revenue			
(a) Revenue from operations	23	2,74,795	1,84,087
(b) Other income	24	2,173	8,275
Total revenue		2,76,968	1,92,362
Expenses			
(a) Employee benefits expenses	25	50,013	35,340
(b) Finance costs	26	49,559	44,226
(c) Depreciation and amortisation expenses	27	3,749	3,284
(d) Operating expenses	28(a)	59,985	36,791
(e) Administrative and other expenses	28(b)	37,003	19,371
Total expenses		2,00,309	1,39,012
Profit before exceptional item and tax		76,659	53,350
Exceptional items	29	–	(2,788)
Profit after exceptional item and before tax		76,659	50,562
Tax expenses/(credit)			
(a) Current tax		20,278	13,611
(b) Deferred tax		212	3,097
(c) Minimum alternate tax credit entitlement		138	(1,458)
(d) Short/(excess) provision (utilised)/write-off for earlier years		(195)	(1,141)
		20,433	14,109
Profit after tax before minority interests and share of profit from associates		56,226	36,453
Minority interests		(978)	(1,060)
Share of profit from associates (net of taxes)	43	906	604
Profit after tax and minority interest		56,154	35,997
Earnings per equity share [Face value of ₹ 1 (Previous year ₹ 1) per equity share]	40		
Basic (Amount in ₹)		38.80	25.14
Diluted (Amount in ₹)		38.19	24.79
Summary of significant accounting policies and other explanatory information to the consolidated financial statements	1-61		

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

Raamdeo Agarawal
Joint Managing Director
DIN : 00024533

Shalibhadra Shah
Chief Financial Officer

Kailash Purohit
Company Secretary

Place : Mumbai
Date : 21st August, 2018

Place : Mumbai
Date : 21st August, 2018

CONSOLIDATED CASH FLOW STATEMENT

Particulars	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
A. Cash flow from operating activities		
Profit before taxation	76,659	50,562
Adjustment for :		
Depreciation and amortisation for expenses	3,749	3,284
Provision on standard, sub standard asset and doubtful debts	6,279	1,053
Impairment of non-current investments	613	400
Bad debts written off	7,370	3,864
Interest expenses	8,577	5,603
Gratuity, leave salary and other long term benefits	770	730
Foreign currency translation reserve	161	(76)
Employee stock option expenditure	3,274	67
Profit from partnership gain	1,363	918
Profit on sale of investments	(16,781)	(18,438)
Profit on sale of fixed assets (net)	(10)	(17)
Interest income	(150)	(210)
Dividend income	(1,025)	(225)
Operating profit	90,849	47,515
Adjustment for working capital changes :		
(Increase)/decrease in trade receivables	20,912	(54,863)
(Increase)/decrease in inventory	(9)	-
(Increase)/decrease in short-term loans and advances	(59,249)	(16,236)
(Increase)/decrease in other current assets	(4,937)	(2,436)
(Increase)/decrease in long-term loans and advances	(77,978)	(201,458)
Increase / (decrease) in trade payables	29,871	44,190
Increase / (decrease) in other current liabilities	21,863	(1,879)
Increase / (decrease) in other long-term liabilities	-	(152)
Increase / (decrease) in long-term provision	143	1,552
Increase / (decrease) in short-term provision	4,350	1,376
Increase/(decrease) in fixed deposits with banks	3,826	(2,410)
Cash generated/(used) from operations	29,642	(184,801)
Direct taxes paid (net)	(18,462)	(13,248)
Net cash flow from/(used in) operating activities	11,180	(198,049)
B. Cash flow from investing activities		
Purchase of fixed assets	(4,082)	(5,212)
Proceeds from sale of fixed assets	52	78
Purchase of investments	(14,03,841)	(16,11,851)
Sale of investments	13,90,566	15,78,029
(Investment)/redemption in fixed deposit having maturity more than 3 months	(3,318)	7,303
Interest received	525	7
Dividend received	1,025	225
Net cash from /(used in) investing activities	(19,073)	(31,420)

CONSOLIDATED CASH FLOW STATEMENT (Contd..)

Particulars	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
C. Cash flow from financing activities		
Net proceeds from long-term and short-term borrowings*	27,460	247,758
Issue of share capital including securities premium	2,082	4,284
Payment of dividend and dividend distribution tax	(11,903)	(5,175)
Interest paid	(10,487)	(4,870)
Net cash generated from/(used in) financing activities	7,152	2,41,997
Net increase/(decrease) in cash and cash equivalents during the year	(741)	12,528
Cash and cash equivalents as at beginning of the year		
Cash in hand	63	48
Cheques on hand	173	10,781
Schedule bank - current accounts	30,992	8,051
Fixed deposit with banks (less than 3 month maturity)	180	—
Total	31,408	18,880
Cash and cash equivalents as at end of the year		
Cash in hand	406	63
Cheques on hand	2	173
Schedule bank - current accounts	29,867	30,992
Fixed deposit with banks (having maturity less than 3 month)	240	180
Total	30,515	31,408
Reconciliation of cash and cash equivalents as above with cash and bank balances (also refer note no. 20)		
Cash and cash equivalents as at end of the year as per above	30,515	31,408
Add:- Fixed deposit with banks (with original maturity more than 3 months)	14,385	14,829
Add:- Unpaid dividend account	22	15
Total cash and bank balances equivalents as at end of the year	44,922	46,252

* Net figures have been reported on account of volume of transactions.

Notes:

- The above cash flow statement has been prepared under indirect method as set out in Accounting Standard 3, 'Cash Flow Statements', as specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Account) Rules, 2014 (as amended).
- Figures in brackets indicate cash outflows
- Operating activity as shown above includes expenditure in respect of Corporate Social Responsibility of ₹ 702 lakhs (Previous year ₹ 413 lakhs) (Refer note 52).

Summary of significant accounting policies and other explanatory information to the consolidated financial statements

1-61

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

For Walker Chandiok & 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

Shalibhadra Shah
Chief Financial Officer

Kailash Purohit
Company Secretary

Place : Mumbai
Date : 21st August, 2018

Place : Mumbai
Date : 21st August, 2018

NOTES TO CONSOLIDATED FINANCIAL STATEMENT

Summary of significant accounting policies and other explanatory information to the consolidated financial statements

1. Background

Motilal Oswal Financial Services Limited ("MOFSL" or 'the Company') is a Non-Banking Financial Company registered with the Reserve Bank of India ("RBI") under section 45-IA of the Reserve Bank of India Act, 1934 and primarily engaged in lending and related activities. The Company received the Certificate of Registration from the RBI on 05 April 2006, enabling the Company to carry on business as a Non-Banking Finance Company (NBFC).

2. Significant accounting policies:

(a) Basis of preparation of consolidated financial statements

The accompanying consolidated financial statements of the Company have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply in all material respects with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and other accounting principles generally accepted in India to the extent applicable.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of business the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

(b) Principles of consolidation

- i. In preparing consolidated financial statements, the financial statements of the parent and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, income and expenses.
- ii. The cost to the parent of its investment in each subsidiary and the parent's portion of equity of each subsidiary, at the date on which investment in each subsidiary is made, is eliminated.
- iii. Intra-group transactions are eliminated in preparation of consolidated financial statements.
- iv. The excess of the cost to the parent of its investment in a subsidiary over the parent's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made, is treated as goodwill and recognised as an asset in the consolidated financial statements.
- v. When the cost to the parent of its investment in a subsidiary is less than the parent's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made, the difference is treated as a capital reserve in the consolidated financial statements.
- vi. Minority interest in the net income of consolidated subsidiaries for the reporting period is identified and adjusted against the income of the group in order to arrive at the net income attributable to the owners of the parent; and Minority interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separately from liabilities and the equity of the parent's shareholders. Minority interest in the net assets consist of:
 - (i) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and
 - (ii) the minorities' share of movements in equity since the date the parent-subsidary relationship came in existence till the date of balance sheet.
- vii. In case of Associate enterprises, the Financial statements as on 31 March 2018 have been consolidated as per Accounting Standard - AS 23 "Accounting For Investments in Associates in Consolidated Financial Statements".
- viii. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- ix. In the case of foreign subsidiaries, revenue items are consolidated at the average exchange rate prevailing during the year. The opening balance in the Statement of Profit and Loss and the opening balance in reserves and surplus have been converted at the rates prevailing as at the respective Balance Sheet dates. All assets and liabilities as at the year-end are converted at the rates prevailing as on that date. Any exchange difference arising on consolidation is shown under Foreign Currency Translation Reserve.

(c) Change in accounting policy – accounting for employee compensation expenses

The Employees Stock Options Schemes ("the Scheme") has been established by the Company. The Schemes provides that the employees are granted an option to subscribe to equity share of the Company that vest on the satisfaction of vesting conditions. The options may be exercised with in specified period. Measurement and disclosure of Employee Share-based Payment Plan is done in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share-based Payments, issued by The Institute of Chartered Accountants of India.

Effective 01 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 ₹ 3,274 Lakhs has been debited to the Statement of profit and loss for the year ended 31 March 2018. Had the Company continued to use the earlier method of accounting profit before tax would have been higher by ₹ 3,274 lakhs for the year ended 31 March 2018.

(d) Use of estimates

The preparation of the consolidated financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the consolidated financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying consolidated financial statements. Any revision to accounting estimates are recognised prospectively in the current and future periods.

(e) Property, plant and equipment (PPE)

PPE are stated at the cost of acquisition less accumulated depreciation and impairment thereon. The cost of acquisition includes purchase cost, taxes (other than those subsequently recoverable from the tax authorities), duties, freight and other incidental costs which relate to the acquisition of PPE and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation

Depreciation is based on the cost of the PPE less its residual value as notified in Schedule II of the Act. Residual value, useful life and methods of depreciation are reviewed at each year and adjusted. In case of addition, depreciation is provided pro-rata for entire month in which addition is made and in case of deletions, depreciation is provided till month preceding month of disposal of such assets. Gains/Losses arising from derecognition of PPE are measured at the difference of net disposal proceeds and the carrying amount of the assets and recognised in the Statement of Profit and Loss when the asset is derecognised. On all assets, except as mentioned below, depreciation is provided on written down basis as per the useful lives specified in Schedule II to the Act.

Leasehold improvements are depreciated over the initial period of lease on straight line basis.

(f) Intangible assets and amortisation expense

- Expenses incurred on computer software having enduring benefits are capitalised and amortised on Straight Line Method (SLM) basis over a period of five years with zero scrap value.
- Customer Rights acquired by the Company are considered as Intangible asset and amortised over a period of five years on Straight Line Method (SLM) basis from the date of acquisition.
- Goodwill acquired by the Company is amortised over a period of three years on Straight Line Method (SLM) basis from the date of acquisition.
- Payment made for the membership of the National Spot Exchange Limited and Multi- Commodity Exchange has been treated as intangible asset and has been amortised over a period of five years.
- The expenses incurred and directly attributable to intangible asset which is not ready for use as at year end are accounted as Intangible asset under development.

(g) Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If such an indication exists, the Company estimates the recoverable amount of the asset. 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. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

(h) Borrowings and borrowing cost

Borrowing costs include interest and other ancillary borrowing costs. Interest and other related financial charges are recognised as an expense in the period for which they relate as specified in Accounting Standard (AS 16) on "Borrowing Costs". Ancillary costs incurred for arrangement of borrowings such as loan processing fee, arranger fee, stamping expense and rating expense including annual surveillance fees are period costs and amortised over the tenure of the borrowing.

Zero coupon instrument

The difference between the discounted amount mobilised and redemption value of commercial papers/ zero coupon non - convertible debentures is apportioned on time proportion basis over the life of instruments and charged to the statement of profit and loss / utilised against balance under securities premium account to the extent available.

(i) Investments

Transactions for purchase and sale of investments are recorded as at the trade date. Investments are classified into long term investments and current investments. Investments that are intended to be held for one year or more are classified as long-term investments and investments that are readily realisable and are intended to be held for less than one year are classified as current investments.

Long-term investments are valued at cost and a provision is made to recognise any diminution in value, other than temporary, determined separately for each investment.

Current investments are valued at cost or market/fair value, whichever is lower. The comparison of cost and market/ fair value is done separately in respect of each individual class of investment. In case of investment in units of mutual funds, the net asset value of units declared by the mutual fund is considered as the market/fair value. However, unquoted investments in the units of mutual funds in the nature of current investments shall be valued at the net asset value declared by the mutual fund in respect of each particular scheme.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

(j) Investment properties

An investment in Land and Building which is not intended to occupy substantially for use by, or in the operation of the company, is classified as investment property. Investment properties are stated at cost of acquisition less accumulated depreciation and impairment thereon.

Depreciation on building component of investment property has been provided based on Written Down Value method using the useful life as specified in Schedule II to the Companies Act, 2013.

(k) Inventories

Shares are valued at cost or net realisable value, whichever is lower. The comparison of cost and market value is done separately for each category of shares. Cost is considered on weighted average basis.

Commodities are valued at cost or market value, whichever is lower. The comparison of cost and market value is done separately for each category of commodity. Cost is considered on weighted average basis.

Units of mutual funds are valued at cost or market value, whichever is lower. Net asset value of units declared by mutual funds is considered as market value for non-exchange traded Mutual Funds.

(l) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company, the revenue can be reliably measured and there exists reasonable certainty of its recovery.

- **Brokerage income** is recognised on trade date basis and is exclusive of service tax, goods and service tax and Securities Transaction tax (STT)/ Commodities Transaction tax (CTT) wherever applicable.
- **Research, Advisory and Transaction processing fee 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

- **Income from investment in Private Equity Funds** (“the fund”), is booked as and when the same is distributed by the Fund. Return of capital contribution is reduced from the original cost of investments.
- **Insurance agency income** on first year premium of insurance policies is recognised, when an insurance policy sold by the Company is accepted by the principal insurance company. Renewal commission on policies is accounted for on receipt of renewal premium by the principle insurance company.
- **Investment advisory fee** is recognised on an accrual basis in accordance with the terms of the contract with the clients.
- **Portfolio management fees** are recognised on an accrual basis in accordance with the Portfolio Management Agreement entered with respective clients.
- **Alternate Investment management fee** is recognised on an accrual basis in accordance with Private Placement Memorandum.
- **Management fees** in respect of private equity fund is accounted on accrual basis net of service tax in accordance with the terms of the respective agreements entered into between the Company and the counter party.
- **Investment Management fees** on mutual fund are recognised on an accrual 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.
- **Trustee fees** are recognised on an accrual basis, based on daily average assets under management (AUM) of the Schemes of Motilal Oswal Mutual Fund.
- **Advisory fees from Investment banking activities and fees for other services** are accounted on percentage completion method based on its reasonable certainty of its ultimate collection”, net of service tax.
- **Advisory and setup fees/referral fees of the private equity fund** are accounted on accrual basis in accordance with the terms of contracts entered into between the Company and the counter party.
- **Interest Income** is recognised on the time proportionate basis starting from the date of disbursement of loan. In case of Non-Performing Assets, interest income is recognised on receipt basis, as per NBFC Prudential norms.
- **Dividend income** is recognised when the right to receive payment is established.
- **Training fees** is recognised only after client attended the training or there is reasonable certainty that client will not attend the training. Registration fee is recognised when it is received from the client.
- **The profit / loss on sale of investments** are recognised in the Statement of Profit and Loss on the trade date. Profit or loss on sale of investments is determined on weighted average cost basis.
- **Profit and Loss from Partnership firm / LLP** are accounted on accrual basis and as per terms of respective Partnership / LLP agreement.
- **Income from arbitrage** and trading in securities and derivatives comprises profit/loss on sale determined based on the Weighted Average cost of the securities/currency sold.
- **Rental income** is recognised on accrual basis and as per the terms of agreement with the counter party.
- Policy for Housing Loans revenue recognition:

i. Interest on Housing Loans:

Interest income on loans is recognised on accrual basis except in case of non-performing assets where interest is recognised upon realisation, as per NHB guidelines. Repayment of housing loans is by way of Equated Monthly Installments (EMI) comprising of principal and interest. Interest is calculated on monthly reducing balance in terms of financing scheme opted by the borrower. EMI commences once the entire loan is disbursed. Pending commencement of EMI, pre-EMI interest is charged every month and is accounted on accrual basis.

ii. Fees and other charges:

- Upfront processing fees are recovered and recognised at the time of disbursement of loan.
- Other charges such as cheque bounce charges, late payment charges, SOA charges, Foreclosure statement charges are recognised when there is no significant uncertainty as to determination and realisation.
- In case of non-performing asset, fees and other charges are recognised upon realisation as per the NHB guidelines.
- In respect of other heads of income, income from depository operations etc., the Company accounts the same on accrual basis.

(m) Sign on bonus

Sign on bonus paid to the employee is accounted under the Loans and advances in the balance sheet and debited to Statement of Profit and Loss over the period of minimum employment as agreed.

(n) Preliminary expenses

Preliminary expenses are charged to the Statement of Profit and Loss in the year in which they are incurred.

(o) Commercial paper

The liability is recognised at face value at the time of issue of commercial paper. The discount on issue of commercial paper is amortised over the tenure of the commercial paper.

(p) 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 Company 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 Company 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.

(q) 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 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.

(r) Foreign currency transactions

- i. Initial recognition - transactions denominated in foreign currencies are recorded at the rates of exchange prevailing on the date of the transaction.
- ii. Conversion - monetary assets and liabilities denominated in foreign currency are converted at the rate of exchange prevailing on the date of the Balance sheet.
- iii. Exchange differences - all exchange differences arising on settlement / conversion on foreign currency transactions are included in the Statement of Profit and Loss in the year in which they arise.

(s) Employee benefits

Short-term employment benefits

Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related services are rendered.

Post-employment benefits

Defined contribution plan

Contribution payable to the recognised provident fund, which is a defined contribution scheme, is charged to the Statement of Profit and Loss in the year 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 recognised immediately in the Statement of Profit and Loss.

Other long-term benefits

Other long-term benefits consist of heritage club benefits, which 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

As per the policy of Company, an employee can carry forward maximum 10 days of leave to next financial year. No leave is allowed to be encashed. An obligation arises as employees render service that increase their entitlement to future compensated absences. 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.

Ex-gratia (bonus)

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.

New pension scheme

Contribution payable to the New Pension Scheme, is charged to the Statement of Profit and Loss in the period in which they occur.

(t) Operating leases

Lease where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases.

Where the Company is lessee

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term in accordance with Accounting Standard 19 on 'Leases' as notified under the Rule 7 of the Companies (Accounts) Rules, 2014.

Where the Company is lessor

Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognised as an expense in the Statement of Profit and Loss.

(u) Taxation

Tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the applicable provisions of the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

Current tax

Provision for current tax is made on the basis of estimated taxable income of the accounting year in accordance with the Income Tax Act, 1961. In case of matters under appeal due to disallowance or otherwise, full provision is made when the said liabilities are accepted by the Company.

Minimum alternate tax

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of

credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Deferred tax

The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the assets. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised. The carrying amounts of deferred tax asset are review at each reporting date. The company writes down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(v) Segment reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted by the Company

Revenue and identifiable operating expenses in relation to segments are categorised based on items that are individually identifiable in that segment. Certain revenue and expenses, which form component of total revenue and expenses, are not identifiable to specific segments as the underlying resources are used interchangeably, same has been allocated on reasonable basis to respective segment. Revenue and expenses, which relate to the Company as whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated expenses/income".

Assets and liabilities in relation to segments are categorised based in items that are individually identifiable in that segment. Certain assets and liabilities, which form component of total assets and liabilities, are not identifiable to specific segments as the underlying resources are used interchangeably. Assets and liabilities, which relate to the Company as whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated assets/liabilities".

(w) Earnings / (losses) per share

Basic earnings/ (losses) per share is computed by dividing net profit or (loss) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings/(losses) per share is computed by dividing the net profit/(loss) 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.

(x) Provisions and contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions (excluding post-employment benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

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

Contingent assets are not recognised in the accompanying consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

(y) Classification and provisioning of loan portfolio

Loans towards financing activities are classified under four categories i.e. (i) Standard assets (ii) Sub- Standard assets (iii) Doubtful assets and (iv) Loss assets in accordance with RBI Guidelines.

Provision for standard assets is made on the basis of prudential norms prescribed for NBFC's by Reserve Bank of India.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd.)

Non-Performing assets are identified by periodic appraisals of the portfolio by management and appropriate provisions are made based on the management's assessment of the degree of impairment of the loan asset and the level of provisioning required as per the prudential norms prescribed for NBFC's by Reserve Bank of India.

(z) Provisions and contingencies from housing finance business

Housing loans are classified as per the National Housing Bank (NHB) guidelines, into performing and non-performing assets. All loans and other credit exposures where the installments, including interest and other dues are overdue for a period of more than ninety days are classified as non-performing assets in accordance with the prudential norms prescribed by the NHB. The Company is classifying any non-performing assets as substandard and doubtful whose installments, including interest and other dues are overdue for a period of 4 to 15 months and more than 15 months respectively as stated by NHB guidelines. Additional provisions are made against specific non-performing assets over and above as stated in the NHB guidelines, if in the opinion of management, a higher provision is necessary. The Company maintains general provision for standard assets as per the prudential norms prescribed by the NHB.

(aa) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short term investment with original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Note 3 : Share Capital

	As at 31-Mar-18		As at 31-Mar-17	
	Number of shares	₹ in Lakhs	Number of shares	₹ in Lakhs
AUTHORISED				
87,00,00,000 Equity shares of ₹ 1 each (Previous year ₹ 1 each)	87,00,00,000	8,700	87,00,00,000	8,700
50,00,00,000 Redeemable preference shares of ₹ 100 each (Previous year ₹ 100 each)	50,00,000	5,000	50,00,000	5,000
TOTAL	87,50,00,000	13,700	87,50,00,000	13,700
ISSUED, SUBSCRIBED AND PAID UP				
Equity shares of ₹ 1 (Previous year of ₹ 1) each fully paid up (Of the above, 7,77,34,132 shares (Previous year 7,67,92,394) held by holding Company Passionate Investment Management Private Limited)	14,50,83,558	1,451	14,44,57,476	1,445
	14,50,83,558	1,451	14,44,57,476	1,445

3.1 Terms/rights attached to shares :

Equity shares

The Company has only one class of equity shares having a par value of ₹ 1 each (Previous year: ₹ 1 each). Each holder of equity shares is entitled to one vote per share.

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. Each equity share has the same right of dividend.

During the year ended 31 March 2018, dividend recognised as distribution to equity shareholders was ₹ 7 per share consisting of final dividend of ₹ 3 per share for previous year ended 31 March 2017 and interim dividend of ₹ 4 per share for year ended 31 March 2018. The total dividend appropriated amounts to ₹ 10,129 lakhs (Previous Year: ₹ 3,588 lakhs) and dividend distribution tax of ₹ 966 lakhs (Previous year: ₹ 730 lakhs).

The Board of Directors at their meeting held on 21 May 2018, proposed a final dividend of ₹ 4.50 per share for year ended 31 March 2018, subject to the approval of the members at the ensuing Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and events occurring after the Balance Sheet date' as notified by Ministry of Corporate Affairs through amendments to Companies Accounting Standard (Amendment) Rules, 2016, dated 30 March 2016, the Company has not accounted for proposed dividend as a liability as at 31 March 2018. If approved the total liability arising to the Company would be ₹ 7,871 lakhs including dividend distribution tax (Previous year ₹ 5,224 lakhs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

In the event of liquidation of Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

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 2018 and 31 March 2017.

3.2 Reconciliation of number of shares outstanding

	As at 31-Mar-18		As at 31-Mar-17	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
At beginning of the year	14,44,57,476	1,445	14,21,74,075	1,422
Add : Share issued on exercise of employee stock options	6,26,082	6	22,83,401	23
At the end of the year	14,50,83,558	1,451	14,44,57,476	1,445

3.3 Shareholders having more than 5% equity share holding in the Company

Name of shareholders	As at 31-Mar-18		As at 31-Mar-17	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Passionate Investment Management Private Limited (Holding Company)	7,77,34,132	53.58	7,67,92,394	53.16
Mr. Motilal Oswal	1,16,39,607	8.02	1,21,10,476	8.38
Mr. Raamdeo Agarawal	1,12,55,131	7.76	1,17,27,100	8.12
Mr. Navin Agrawal	70,04,010	4.83	78,04,010	5.40

3.4 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	For the year ended (Number of shares)				
	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14
Equity shares bought back	–	–	–	2,756	70,69,945

Refer Note No. 59 for disclosure relating to Employee Stock option purchase plan

Note 4 : Reserves and Surplus

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
a) Capital reserve on consolidation		
Balance at the beginning of the year	5,084	5,102
Less: Deduction during the year*	(1,781)	(18)
Balance as at end of the year	3,303	5,084
b) Capital redemption reserve		
Balance at the beginning of the year	2,009	1,029
Add: Transfer from Statement of Profit and Loss for the year	250	840
Add: Transfer from general reserve	–	140
Balance as at end of the year	2,259	2,009

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
c) Securities premium account		
Balance at the beginning of the year	46,299	43,064
Addition during the year on account of share issue	1,876	3,235
Add: Transfer from Employee stock option reserve	591	–
Balance as at end of the year	48,766	46,299
d) Debenture redemption reserve		
Balance at the beginning of the year	85	–
Add: Transfer from general reserve	1,473	85
Balance as at end of the year	1,558	85
e) Share option outstanding account		
Balance at the beginning of the year	67	–
Addition during the year (also refer note 59)	3,247	67
Less: Transfer to securities premium account	(591)	–
Balance as at end of the year	2,723	67
f) Foreign currency translation reserve		
Balance at the beginning of the year	45	121
Addition during the period	152	(76)
Balance as at end of the year	197	45
g) Statutory reserve		
Balance at the beginning of the year	12,015	8,647
Add: Transfer from Statement of Profit and Loss for the year	3,879	3,368
Balance as at end of the year	15,894	12,015
h) General reserve		
Balance at the beginning of the year	6,447	6,672
Less: Transfer to debenture redemption reserve	(1,473)	(85)
Less : Transfer to capital redemption reserve	–	(140)
Balance as at end of the year	4,974	6,447
i) Surplus in statement of profit and loss		
Balance at the beginning of the year	1,05,107	77,616
Add: Net profit for the year	56,154	35,997
Less: Final dividend	(4,340)	(0)
Less: Interim dividend	(5,789)	(3,588)
Less: Dividend distribution tax	(966)	(730)
Less: Transfer to statutory reserve	(3,879)	(3,368)
Less: Transfer to capital redemption reserve	(250)	(840)
Add: Prior year other adjustments	–	20
Less: Minority balance sheet effect	(309)	–
Balance as at end of the year	1,45,728	1,05,107
	2,25,403	1,77,158

* In accordance with Section 52 of the Companies Act 2013 during the year the subsidiary of the Company, Aspire Home Finance Corporation Limited has utilised Securities Premium Account towards Premium on Redemption of Non-Convertible debenture amounting to ₹ 2,835 lakhs net of tax of ₹ 1,844 lakhs (including minority interest).

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Note 5 : Long - Term Borrowings

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Secured		
Bonds and debentures		
Non convertible debenture (NCD)	1,27,490	1,22,490
Zero coupon bonds	13,000	13,000
Term loans		
From banks	93,802	1,25,851
From Non banking financial Company (NBFC)*	–	20,000
Unsecured		
Non convertible debenture (NCD)	79,000	79,000
Zero coupon bonds	10,000	10,000
	3,23,292	3,70,341

Security and other terms of Bonds and Debentures are as follows :

As at 31 March 2018

NCD Series	Units	Amount (₹ in lakhs)	Security provided	Charge %
Series A (2015-16)/2	250	2,500	Exclusive charge over specific receivables	1.05 times of amount outstanding
Series A (2015-16)/3	500	5,000	Exclusive charge over specific receivables	1.05 times of amount outstanding
Series A (2015-16)/4	150	1,500	Exclusive charge over specific receivables	1.05 times of amount outstanding
Series A (2015-16)/5	750	7,500	Exclusive charge over specific receivables	1.05 times of amount outstanding
Series A (2015-16)/6	1,500	15,000	Exclusive charge over specific receivables	1.05 times of amount outstanding
Series A (2015-16)/7	1,000	10,000	Exclusive charge over specific receivables	1.05 times of amount outstanding
Series A (2015-16)/8	250	2,500	Exclusive charge over specific receivables	1.05 times of amount outstanding
Series A (2015-16)/9	250	2,500	Exclusive charge over specific receivables	1.05 times of amount outstanding
Series A (2015-16)/10	1,500	15,000	Exclusive charge over specific receivables	1.05 times of amount outstanding
Series A (2015-16)/13	700	7,000	Exclusive charge over specific receivables	1.05 times of amount outstanding
Series A (2016-17)/4	1,250	12,500	Exclusive charge over specific receivables	1.05 times of amount outstanding
Series A (2016-17)/7	997	9,970	Exclusive charge over specific receivables	1.10 times of amount outstanding
Series A (2016-17)/10	50	500	Exclusive charge over specific receivables	1.05 times of amount outstanding
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
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

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

NCD Series	Units	Amount (₹ in lakhs)	Security provided	Charge %
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
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
Series C (2016-17)/5 and 6	174	1,740	Exclusive charge over specific receivables	1.00 time of amount outstanding and interest amount outstanding at any point of time
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
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
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
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
Series A (2016-17)	250	2,500	First paripasu charge over present and future receivable and immovable property. (Redeemable on 30 April 2019)	1.25 time of amount outstanding and interest amount outstanding at any point of time
Series B (2016-17)	250	2,500	First paripasu charge over present and future receivable and immovable property. (Redeemable on 5 June 2019)	1.25 time of amount outstanding and interest amount outstanding at any point of time
Series C (2017-18)	1,500	15,000	First paripasu charge over present and future receivable and immovable property. (Redeemable on 3 July 2020)	1.25 time of amount outstanding and interest amount outstanding at any point of time
	14,049	1,40,490		

As at 31 March 2017

NCD Series	Units	Amount (₹ in lakhs)	Security provided	Charge %
Series A (2015-16)/1	1,000	10,000	Exclusive charge over specific receivables	1.10 times of amount outstanding
Series A (2015-16)/2	250	2,500	Exclusive charge over specific receivables	1.05 times of amount outstanding
Series A (2015-16)/3	500	5,000	Exclusive charge over specific receivables	1.05 times of amount outstanding
Series A (2015-16)/4	150	1,500	Exclusive charge over specific receivables	1.05 times of amount outstanding
Series A (2015-16)/5	750	7,500	Exclusive charge over specific receivables	1.05 times of amount outstanding
Series A (2015-16)/6	1,500	15,000	Exclusive charge over specific receivables	1.05 times of amount outstanding
Series A (2015-16)/7	1,000	10,000	Exclusive charge over specific receivables	1.05 times of amount outstanding

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

NCD Series	Units	Amount (₹ in lakhs)	Security provided	Charge %
Series A (2015-16)/8	250	2,500	Exclusive charge over specific receivables	1.05 times of amount outstanding
Series A (2015-16)/9	250	2,500	Exclusive charge over specific receivables	1.05 times of amount outstanding
Series A (2015-16)/10	1,500	15,000	Exclusive charge over specific receivables	1.05 times of amount outstanding
Series A (2015-16)/13	700	7,000	Exclusive charge over specific receivables	1.05 times of amount outstanding
Series A (2016-17)/4	1,250	12,500	Exclusive charge over specific receivables	1.05 times of amount outstanding
Series A (2016-17)/7	997	9,970	Exclusive charge over specific receivables	1.10 times of amount outstanding
Series A (2016-17)/10	50	500	Exclusive charge over specific receivables	1.05 times of amount Outstanding
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
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
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
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
Series C (2016-17)/5 and 6	174	1,740	Exclusive charge over specific receivables	1.00 time of amount outstanding and interest amount outstanding at any point of time
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
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
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
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
Series A (2016-17)	250	2,500	First paripasu charge over present and future receivable and immovable property. (Redeemable on 30 April 2019)	1.25 time of amount outstanding and interest amount outstanding at any point of time
Series B (2016-17)	250	2,500	First paripasu charge over present and future receivable and immovable property. (Redeemable on 5 June 2019)	1.25 time of amount outstanding and interest amount outstanding at any point of time

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

NCD Series	Units	Amount (₹ in lakhs)	Security provided	Charge %
Series B (2014-15)	500	5,000	First paripasu charge over present and future receivable and immovable property. (Redeemable on 27th May 2017)	1.25 Time of amount Outstanding and Interest amount outstanding at any point of time
Series C (2014-15)	500	5,000	First paripasu charge over present and future receivable and immovable property. (Redeemable on 27th November 2017)	1.25 Time of amount Outstanding and Interest amount outstanding at any point of time
	14,549	1,45,490		
Less : Current Maturities of long term borrowings	(1,000)	(10,000)		
	13,549	1,35,490		

Terms of Repayment of Debentures

As at 31 March 2018

Debentures - Secured

(₹ in lakhs)				
Maturity	0-3 years	3-5 years	>5 years	Total
Rate of interest				
10.85%	1,500	–	–	1,500
10.84%	15,000	–	–	15,000
10.84%	10,000	–	–	10,000
10.84%	2,500	–	–	2,500
10.75%	5,000	–	–	5,000
10.70%	7,000	–	–	7,000
10.70%	12,500	–	–	12,500
10.25%	800	–	–	800
10.01%	1,740	–	–	1,740
10.00%	8,000	–	–	8,000
10.00%	2,000	–	–	2,000
10.00%	7,460	–	–	7,460
10.00%	6,910	–	–	6,910
9.85%	–	–	9,970	9,970
9.80%	600	–	–	600
9.80%	1,000	–	–	1,000
9.75%	15,000	–	–	15,000
9.55%	510	–	–	510
Zero coupon	13,000	–	–	13,000
	1,10,520	–	9,970	1,20,490

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Debentures - unsecured

(₹ in lakhs)				
Maturity	0-3 years	3-5 years	>5 years	Total
Rate of interest				
11.15%	–	5,000	–	5,000
11.00%	–	3,000	–	3,000
11.00%	–	2,000	–	2,000
11.00%	2,500	–	–	2,500
11.00%	10,000	–	–	10,000
11.00%	5,000	–	–	5,000
11.00%	5,000	–	–	5,000
11.00%	–	–	5,000	5,000
10.85%	10,000	–	–	10,000
10.82%	1,500	–	–	1,500
10.50%	5,000	–	–	5,000
8.65%	–	–	25,000	25,000
Zero coupon	10,000	–	–	10,000
	49,000	10,000	30,000	89,000

As at 31 March 2017

Debentures - secured

(₹ in lakhs)				
Maturity	0-3 years	3-5 years	>5 years	Total
Rate of interest				
8.50%	2,500	–	–	2,500.00
8.50%	2,500	–	–	2,500.00
11.00%	10,000	–	–	10,000
10.75%	–	5,000	–	5,000
10.85%	1,500	–	–	1,500
10.84%	15,000	–	–	15,000
10.84%	10,000	–	–	10,000
10.84%	2,500	–	–	2,500
9.75%	–	15,000	–	15,000
10.70%	7,000	–	–	7,000
10.70%	12,500	–	–	12,500
9.85%	–	–	9,970	9,970
10.00%	8,000	–	–	8,000
10.00%	2,000	–	–	2,000
10.00%	7,460	–	–	7,460
10.25%	800	–	–	800
10.01%	1,740	–	–	1,740
10.00%	6,910	–	–	6,910
9.80%	600	–	–	600
9.80%	1,000	–	–	1,000
9.55%	510	–	–	510
Zero coupon	13,000	–	–	13,000
	1,05,520	20,000	9,970	1,35,490

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Debentures - unsecured

(₹ in lakhs)				
Maturity	0-3 years	3-5 years	>5 years	Total
Rate of interest				
10.82%	1,500	–	–	1,500
11.00%	–	3,000	–	3,000
11.00%	–	2,000	–	2,000
11.15%	–	5,000	–	5,000
11.00%	2,500	–	–	2,500
11.00%	10,000	–	–	10,000
11.00%	5,000	–	–	5,000
11.00%	5,000	–	–	5,000
9.99%	–	–	25,000	25,000
10.85%	–	10,000	–	10,000
11.00%	–	–	5,000	5,000
10.50%	5,000	–	–	5,000
Zero coupon	10,000	–	–	10,000
	39,000	20,000	30,000	89,000

Terms of Repayment of Terms Loans

As at 31 March 2018

Term loans from banks - secured by way of hypothecation of receivables i.e. loans and advances and mutual funds of Company.

(₹ in lakhs)				
Maturity	0-3 years	3-5 years	>5 years	Total
Rate of interest				
8.50 % to 11% annually	1,08,394	47,341	42,852	1,98,587
	1,08,394	47,341	42,852	1,98,587
Less : Current maturities of long term borrowings	1,04,785	–	–	1,04,785
	3,609	47,341	42,852	93,802

Terms of Repayment of Terms Loans

As 31 March 2017

Term loans from banks - secured by way of hypothecation of receivables i.e. loans and advances and mutual funds of Company.

(₹ in lakhs)				
Maturity	0-3 years	3-5 years	>5 years	Total
Rate of interest				
8.50 % to 11% annually	1,06,025	38,030	43,835	1,87,890
	1,06,025	38,030	43,835	1,87,890
Less : Current maturities of long term borrowings	42,039	–	–	42,039
	63,986	38,030	43,835	1,45,851

* Term loan from Non Banking Financial Company is secured against units of mutual funds held by the Company and carries interest ranging from 9.60% p.a. to 10.60% p.a. The due date of repayment of above term loan of ₹ 5,000 lakhs on 5 June 2018, ₹ 5,000 lakhs on 22 June 2018 and ₹ 10,000 lakhs on 30 June 2018.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Note 6 : Deferred tax Liabilities (Net)

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Deferred tax liabilities		
Unamortised borrowing cost	–	549
Timing difference on Property, plant and equipment	1,543	1,980
Sign on bonus pending write off	6	4
Amortization of portfolio management distribution/placement fees	452	2,354
Provision for standard, sub standard, doubtful assets and doubtful debts	4,210	(868)
Statutory reserve created u/s 36(1)(viii)	–	619
Deferred tax assets		
Expenses allowable u/s. 43B on payment basis	(440)	(439)
Business loss	(22)	(40)
Provision for impairment of non-current investments	(21)	(24)
Long term capital gain on sale of investments	(229)	(91)
Accrued income on investments in units of private equity funds.	(12)	–
Interest accrued on ORCD's/debentures/NPA	(69)	(39)
Rent income	(74)	(62)
	5,346	3,947

Deferred tax assets and Deferred tax liabilities have been offset as they relate to the same governing taxation laws.

Note 7 : Other Long - Term Liabilities

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Security deposits (against premises given on lease)	165	165
	165	165

Note 8 : Long - Term Provisions

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Provision for employee benefits		
Provision for employee benefits (unfunded) (also refer note 56)	1,354	1,219
Provision for compensated absences (also refer note 41)	21	12
Provision for contingencies		
Provision for standard assets	1,794	1,595
Provision for sub standard assets	3,997	238
Provision for doubtful assets	1,768	185
	8,934	3,249

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Note 9 : Short - Term Borrowings

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Secured		
Term loans		
From banks *	3,241	—
From other financial institution/ non banking financial Company **	20,000	11,000
Bank overdraft #	21,596	16,455
Unsecured		
Commercial paper (principal portion)	62,000	67,500
Less: Discount not written off	(771)	(652)
Total	1,06,066	94,303

* Secured by way of hypothecation of housing loans given by the Company. These are repayable on demand and carry interest rate of 8.60% to 11.35% per annum.

** Borrowings from Non Banking Financial Companies are secured against approved list of shares and securities and against units of mutual funds held by Company. It consists of loan of ₹ 15,000 lakhs from Bajaj Financial Services Limited and ₹ 5,000 lakhs from Aditya Birla Finance Limited carrying interest rate of 8.75% p.a. and 9% p.a. respectively which are repayable on demand.

Bank Overdraft is secured against Mutual funds/Fixed deposits/Property pledged/hypothecated against book debts with the Banks.

Note 10 : Trade Payables

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Trade payables		
Dues outstanding of micro enterprises and small enterprises *	—	—
Dues outstanding of creditors other than micro enterprises and small enterprises	1,32,039	1,02,168
	1,32,039	1,02,168

* There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than forty five days as at the balance sheet date. The Micro, Small and Medium Enterprises have been identified on the basis of the information provided by the vendors to the Company. Further, no interest during the year has been paid or payable in respect thereof.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Note 11 : Other Current Liabilities

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Current maturities of long term borrowings [also refer note (a) below]	1,04,785	42,039
Interest accrued and not due on borrowings	23,525	18,211
Interest accrued and due on borrowings	35	6
Advance received from customers	1,848	184
Unpaid dividend [also refer note (b) below]	22	15
Other liabilities		
For Retention money	—	6
For capital expenses	8	16
Taxes payable	1,004	3,323
Book overdraft from bank	6,600	52
Accrued salaries and benefits	460	876
Other payables (includes payables to vendor)	5,379	3,690
Margin money	19,884	9,598
Share application money refundable	—	0
Total	1,63,550	78,016

(a) Working capital loan taken from a NBFC having interest rate of 9.60% p.a. and repayable on 30 June 2018. The said term loan is secured against mutual funds of holding Company.

(b) There are no amounts due for payment to the Investor Education and Protection Fund as at the year end.

Note 12 : Short - Term Provisions

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Provision for employee benefits		
ExGratia payable/ incentive payable	12,899	8,392
Gratuity and other long term benefits (unfunded) (also refer note 56)	670	228
Compensated absences (also refer note 41)	144	140
Others		
Provision for contingencies		
Provision for standard assets	182	173
Provision for sub standard assets	194	8
Provision for doubtful assets	47	65
Provision for taxation (net)	1,726	833
Other provision (includes provision for expenses)	832	656
	16,694	10,495

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd.)

Note 13 : Fixed Assets

(₹ in Lakhs)

Particulars	GROSS BLOCK					ACCUMULATED DEPRECIATION/AMORTISATION					NET BLOCK	
	Balance as at 1-Apr-17	Additions	Other adjustment*	Disposal	Balance as at 31-Mar-18	Balance as at 1-Apr-17	During the year	Other adjustment*	Disposals	Balance as at 31-Mar-18	Balance as at 31-Mar-18	
Property plant and equipment												
Land	2,667	–	–	–	2,667	–	–	–	–	–	2,667	
Building**	28,464	630	–	–	29,094	6,616	1,294	–	–	7,910	21,184	
Plant and equipment	5,604	1,075	–	–	6,679	4,595	791	–	–	5,386	1,293	
Furniture and fixtures	2,424	417	–	–	2,841	1,616	270	–	–	1,887	955	
Vehicles	762	121	–	116	767	356	199	–	74	481	286	
Office equipments	3,393	417	–	–	3,810	2,748	278	–	–	3,026	784	
Computer	705	312	–	–	1,017	405	292	–	–	697	320	
Electrical equipment	236	95	–	–	331	103	75	–	–	178	153	
Lease hold improvement	785	205	–	–	990	534	155	–	–	689	301	
Total (A)	45,040	3,272	–	116	48,197	16,973	3,354	–	74	20,254	27,943	
Intangible Assets												
Goodwill	90	–	–	–	90	90	–	–	–	90	–	
Software	3,563	800	–	–	4,363	2,609	378	–	–	2,987	1,376	
Customer rights	727	–	–	–	727	725	1	–	–	726	1	
BSE/MCX cards	663	–	–	–	663	663	–	–	–	663	0	
PMS licence	1	–	–	–	1	1	–	–	–	1	0	
Total (B)	5,044	800	–	–	5,844	4,088	379	–	–	4,467	1,377	
Total (A+B)	50,084	4,072	–	116	54,040	21,061	3,733	–	74	24,721	29,319	

(₹ in Lakhs)

Particulars	GROSS BLOCK					ACCUMULATED DEPRECIATION/AMORTISATION					NET BLOCK	
	Balance as at 1-Apr-16	Additions	Other adjustment*	Disposal	Balance as at 31-Mar-17	Balance as at 1-Apr-16	During the year	Other adjustment*	Disposals	Balance as at 31-Mar-17	Balance as at 31-Mar-17	
Property plant and equipment												
Land	2,667	–	–	–	2,667	–	–	–	–	–	2,667	
Building**	29,115	2,697	3,306	42	28,464	6,009	1,275	669	–	6,616	21,848	
Plant and equipment	5,079	524	(1)	–	5,604	3,813	782	–	–	4,595	1,009	
Furniture and fixtures	2,211	253	–	40	2,424	1,414	239	–	37	1,616	808	
Vehicles	498	338	–	74	762	313	108	–	66	356	406	
Office equipments	3,157	256	–	20	3,393	2,531	236	–	19	2,748	646	
Computer	376	335	–	6	705	229	177	–	1	405	300	
Electrical equipment	133	103	–	–	236	90	13	–	–	103	133	
Lease hold improvement	555	230	–	–	785	366	167	–	–	534	250	
Total (A)	43,791	4,736	3,305	182	45,040	14,765	2,997	669	123	16,973	28,067	
Intangible assets												
Goodwill	90	–	–	–	90	90	–	–	–	90	–	
Software	3,088	476	1	0	3,563	2,341	268	–	–	2,609	954	
Customer rights	727	–	–	–	727	724	1	–	–	725	2	
BSE/MCX cards	663	–	–	–	663	663	0	–	–	663	0	
PMS licence	1	–	–	–	1	1	0	–	–	1	0	
Total (B)	4,569	476	1	0	5,044	3,819	269	–	–	4,088	956	
Total (A+B)	48,360	5,212	3,306	182	50,084	18,584	3,266	669	123	21,061	29,023	

* Other Adjustments refers re-classification of assets into respective class of assets/ re-classification into investment property.

** The Company has mortgaged its immovable property "Motilal Oswal Tower" (Gross block of ₹ 27,862 lakhs (Previous year ₹ 27,258 lakhs) and Net block of ₹ 20,645 lakhs (Previous year ₹ 21,168) to HDFC Bank Limited for the banking facility availed.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Note 14 (a) : Non-Current Investments

(₹ in lakhs)									
Sr. No.	Particulars	Subsidiary/ Associate/ Controlled Entity/ Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully Paid	Face Value (In ₹)	As at 31-Mar-18	As at 31-Mar-17
			As at 31-Mar-18	As at 31-Mar-17					
	Non trade investments (at cost)								
(a)	Investment Property						344	339	
	Add : Addition during the year						463	190	
	Less: Depreciation on Investment Property						(16)	(18)	
	Less: Deduction during the year						(154)	(168)	
	Total (a)						637	344	
(b)	Investment in Equity Instruments								
	AU Finance India Limited	Others	32,81,796	32,81,796	Quoted	Fully Paid	10	1,888	1,888
	MF utilities India Private Limited	Others	5,00,000	5,00,000	Unquoted	Fully Paid	1	5	5
	Shriram New Horizons Limited	Others	7,50,000	7,50,000	Unquoted	Fully Paid	10	1,013	1,013
	Less : Provision for Diminution in Value of Investment							(1,013)	(400)
	Shubham Housing Development Finance Company Private Limited	Others	21,396	21,392	Unquoted	Fully Paid	10	180	180
	Total (b)						2,073	2,686	
(c)	Investment in Preference Instruments								
	14.625% Cumulative redeemable shares of Edelweiss Finance and Investment Limited	Others	–	32,64,500	Unquoted	Fully Paid	10	–	486
	Compulsory Convertible shares of Shubham Housing Development Finance Company Private Limited	Others	2,20,260	2,20,260	Unquoted	Fully Paid	10	1,859	1,859
	Total (C)						1,859	2,345	
(d)	Investments in Debentures and Bonds								
	17% Non convertible debentures Reddy Housing Private Limited	Others	–	70	Unquoted	Fully Paid	1,000,000	–	700
	Total (d)						–	700	
(e)	Investment in Mutual Funds								
	Most shares M100 ETF	Others	5,07,650	5,07,650	Quoted	Fully Paid	10	68	68
	Most Shares N100 ETF	Others	18,330	18,330	Quoted	Fully Paid	10	51	51
	Motilal Oswal Most Focused Multicap 35 Fund (Direct Plan - Growth, Dividend Reinvestment and Direct Plan Dividend Payout) ** #	Others	33,11,91,649	32,23,04,319	Unquoted	Fully Paid	10	60,256	45,744
	Most focused midcap 30 fund (Direct Plan - Growth, Dividend Reinvestment and Direct Plan Dividend Payout)** #	Others	9,01,19,069	6,82,19,857	Unquoted	Fully Paid	10	17,477	11,477
	Motilal Oswal Most Focused Multicap 25 Fund (Direct Plan - Growth, Dividend Reinvestment)*** #	Others	6,42,80,248	3,42,63,237	Unquoted	Fully Paid	10	12,525	5,800
	Most Focused Long term Fund	Others	1,90,816	1,90,816	Unquoted	Fully Paid	10	20	20
	Most Shares M50 ETF	Others	59,499	59,499	Quoted	Fully Paid	10	48	48
	Investment in Short Term Ultra Bond	Others	8,76,376	8,76,376	Unquoted	Fully Paid	10	104	104
	Reliance Liquid Fund-Treasury Plan -Growth Plan Growth Option *	Others	3,19,338	3,19,338	Unquoted	Fully Paid	10	11,483	11,483
	Reliance Liquidity Fund-Growth Plan-Growth Option *	Others	2,24,102	2,24,102	Unquoted	Fully Paid	10	4,961	4,961

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

(₹ in lakhs)									
Sr. No.	Particulars	Subsidiary/ Associate/ Controlled Entity/ Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully Paid	Face Value (In ₹)	As at 31-Mar-18	As at 31-Mar-17
			As at 31-Mar-18	As at 31-Mar-17					
	Reliance Banking and PSU Debt FD-Dir Pl-Growth *	Others	13,29,06,806	13,29,06,806	Unquoted	Fully Paid	10	15,000	15,000
	Reliance Medium Term Fund - Direct Gr Pl-Gr Option *	Others	1,51,18,164	1,51,18,164	Unquoted	Fully Paid	10	5,000	5,000
	Motilal Oswal Most Focused Dynamic Equity Fund	Others	5,00,000	5,00,000	Unquoted	Fully Paid	10	50	50
	Birla Sunlife Cash Plus *	Others	28,14,162	–	Unquoted	Fully Paid	100	7,604	–
	Principal Cash Management Fund *	Others	4,66,795	–	Unquoted	Fully Paid	1,000	7,516	–
	Total (e)							1,42,162	99,805
(f)	Investment in Alternative Investment funds								
	Motilal Oswal Focused Growth Opportunities Fund	Others	86,37,026	61,23,940	Unquoted	Fully paid	10	1,000	650
	Motilal Oswal Focused Growth Opportunities Fund (Carry units)	Others	30,000	30,000	Unquoted	Fully paid	10	3	3
	Motilal Oswal Focused Multicap Opportunities Fund	Others	1,10,87,045	30,00,000	Unquoted	Fully paid	10	1,200	300
	Motilal Oswal Focused Multicap Opportunities Fund (Carry units)	Others	1,00,000	–	Unquoted	Fully paid	10	10	–
	Motilal Oswal Select Opportunities Fund	Others	66,87,757	–	Unquoted	Fully paid	10	660	–
	Motilal Oswal Focused Business Advantage Fund (1.972%)	Others	1,00,00,000	–	Unquoted	Fully paid	10	1,000	–
	Motilal Oswal Focused Business Advantage Fund (Carry units - 0.020%)	Others	1,00,000	–	Unquoted	Fully paid	10	10	–
	Motilal Oswal Focused Emergence Fund	Others	86,22,690	–	Unquoted	Fully paid	10	840	–
	Motilal Oswal Focused Emergence Fund (Carry units)	Others	1,00,000	–	Unquoted	Fully paid	10	10	–
	Motilal Oswal Rising India Fund	Others	30,00,000	–	Unquoted	Fully paid	10	300	–
	Total (f)							5,033	953
(g)	Investments in Partnership Firm / LLP								
	Contrarian Vriddhi Fund I ***							60	60
	Add: Purchase during the year							40	–
	Closing balance (B)	Others	1,000	1,000	Unquoted	Fully Paid	6,000	100	60
	Total (g)							100	60
(h)	Investments in Associates								
	India Realty Excellence Fund II LLP								
	Opening balance							9,431	9,547
	Add : Contribution made during the year							–	–
	Less : Receipts during the year							(4,978)	(1,077)
	Add: Share of Profit							1,408	961
	Closing balance							5,861	9,431
	India Realty Excellence Fund II LLP (Carry units)							2	2
	Total (h)							5,863	9,433

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd.)

(₹ in lakhs)									
Sr. No.	Particulars	Subsidiary/ Associate/ Controlled Entity/ Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully Paid	Face Value (In ₹)	As at 31-Mar-18	As at 31-Mar-17
			As at 31-Mar-18	As at 31-Mar-17					
(i)	Investment in Private Equity Funds								
	Reliance Alternative Investment Fund - Private Equity Scheme I	Others	5,83,470	7,30,968	Unquoted	Fully Paid	10	62	109
	Aditya Birla Private Equity - Fund I	Others	150	67,213	Unquoted	Fully Paid	100	68	101
	India Business Excellence Fund	Others	475	475	Unquoted	Fully Paid	10,00,000	1,140	1,505
	India Business Excellence Fund - C Class	Others	1,000	1,000	Unquoted	Fully Paid	100	0.24	0
	India Business Excellence Fund II	Others	7,93,000	7,93,000	Unquoted	Fully Paid	1,000	8,096	8,096
	India Business Excellence Fund II - C Class	Others	997	997	Unquoted	Fully Paid	1,000	10	10
	Investment in India Realty Excellence Fund I	Others	1,580	1,580	Unquoted	Fully Paid	5,00,000	45	1,402
	Investment in India Realty Excellence Fund III	Others	65,67,799	49,91,452	Unquoted	Fully Paid	100	6,576	5,000
	India Business Excellence Fund III	Others	4,88,750	–	Unquoted	Fully Paid	1,000	4,888	–
	Total (i)							20,885	16,224
	Total (a+b+c+d+e+f+g+h+i)							1,78,612	1,32,551

* All the units are pledged with Exchanges for meeting margin requirements

** Of the above 975 lakhs Units (Previous year 600 lakhs units) are pledged for availing bank overdraft facility respectively

*** Details of name of Partners, Capital and share of each partner are not shared by the partnership firm

Units of mutual funds are given as security for the working capital term loan facility used by subsidiary company amounting to ₹ 23,716 lakhs (Previous year ₹ 15,000 lakhs)

(₹ in lakhs)				
Particulars	As at 31 March 2018		As at 31 March 2017	
	Cost	Market Value	Cost	Market Value
Aggregate value of quoted investment and market value	2,054	20,535	167	213
Aggregate value of unquoted investment and market value				
Mutual Funds****	1,41,995	1,85,097	99,638	1,35,484
Others	35,575	NA	33,146	NA
Aggregate provision for diminution in value of investment	(1,013)	NA	(400)	NA

**** Market value is based on Net Asset Value ('NAV') declared by Mutual Funds

Note 14 (b): Current Investments

(₹ in lakhs)									
Sr. No.	Particulars	Associate/ Controlled Entity/ Others	Number of Shares / Units		Quoted/ Unquoted	Partly Paid/ Fully Paid	Face value (In ₹)	As at 31-Mar-18	As at 31-Mar-17
			As at 31-Mar-18	As at 31-Mar-17					
(a)	Investment in Mutual Funds Instruments								
	Peerless liquid fund - Direct plan growth*	Others	26,353	–	Unquoted	Fully Paid		500	–
	Motilal Oswal ultra short term bond fund - Direct plan growth option	Others	–	7,71,30,737	Unquoted	Fully Paid	10	–	10,000
	Principal cash management fund - Direct plan growth	Others	–	1,59,106	Unquoted	Fully Paid	1,000	–	2,500

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

(₹ in lakhs)									
Sr. No.	Particulars	Associate/ Controlled Entity/ Others	Number of Shares / Units		Quoted/ Unquoted	Partly Paid/ Fully Paid	Face value (In ₹)	As at 31-Mar-18	As at 31-Mar-17
			As at 31-Mar-18	As at 31-Mar-17					
	Axis liquid fund- Direct plan - growth	Others	–	83,854	Unquoted	Fully Paid	1,000	–	1,500
	Icici prudential money market - Direct plan*	Others	22,06,429	11,19,918	Unquoted	Fully Paid	100	5,000	2,500
	Reliance medium term fund - direct weekly dividend	Others	–	3,81,12,154	Unquoted	Fully Paid	10	–	6,520
	Kotak floater short term - Direct plan growth*	Others	2,68,086	–				7,500	–
	Franklin India Ultra short Bond Fund Super Institutional Plan - Direct	Others	–	5,58,95,345	Unquoted	Fully Paid	10	–	5,647
	Invesco India liquid - Direct growth*	Others	3,13,919	4,82,959	Unquoted	Fully Paid	1,000	7,500	5,816
	UTI money market fund - Direct growth*	Others	4,03,100	–	Unquoted	Fully Paid	10	7,500	–
								28,000	34,483
(b)	Other investments								
	India Business Excellence Fund - I	Others	200	200	Unquoted	Fully Paid	1 USD	0	0
	Investment in MAS Financial Services Limited	Others	–	29,55,869	Unquoted	Fully Paid	10	–	10,000
	Motilal Oswal India Fund	Others	100	100	Unquoted	Fully Paid	1 USD	0	0
								0	10,000
	Total							28,000	44,483

* All the units are pledged with exchanges for meeting margin requirements

(₹ in lakhs)				
Particulars	As at 31 March 2018		As at 31 March 2017	
	Cost	Market Value	Cost	Market Value
Aggregate value of quoted investments and market value	–	–	–	–
Aggregate value of unquoted investments				
Mutual fund*	28,000	28,802	34,483	34,548
Others	0	0	10,000	10,000
Aggregate provision for diminution in value of investments	NA	NA	NA	NA

* Market value is based on Net Asset Value ('NAV') declared by Mutual Funds

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Note 15 : Deferred Tax Asset (net)

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Deferred tax liability		
Unamortised borrowing cost	(508)	–
Amortization of portfolio management distribution/placement fees	0	(125)
Statutory reserve created u/s 36(1)(viii)	(1,074)	–
Deferred tax asset		
Difference between book depreciation and tax depreciation	207	78
Expenses allowable u/s. 43B on payment basis	201	92
Business loss	–	167
Provision for standard, sub standard, doubtful assets and doubtful debts	2,595	–
Long term capital gain on sale of investments	15	15
Accrued income on investments in units of private equity funds.	–	23
	1,436	250

Note 16 : Long-Term Loans and Advances

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Secured, considered good		
Standard assets*	4,69,662	4,00,726
Unsecured, considered good		
Capital advances	418	530
Rent, electricity and other deposits	1,079	924
Other loans and advances		
Deposits with exchange	221	149
Prepaid expenses	9,960	8,217
Balance with government authorities	5	1
Loan to staff	55	28
Advance tax (net)	2,793	3,037
MAT credit entitlement	2,387	2,555
	4,86,580	4,16,167

* Loans granted by one of the subsidiary are secured by equitable mortgage/registered mortgage of the property and/or undertaking to create security and/or personal guarantees and/or assignment of life insurance policies

Note 17 : Other Non-Current Assets

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Other bank balances		
Fixed deposits (maturity more than 12 months)*	296	359
Accrued interest on fixed deposits (maturity more than 12 months)	10	5
Total	306	364

* Fixed deposits receipt of ₹ 220 lakhs (Previous year ₹ 284 lakhs) under lien with exchange and ₹ 76 lakhs (Previous year ₹ 76 lakhs) is lien with Insurance Regulatory and Development Authority.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Note 18 : Inventories

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Stock in trade - equity shares	27	18
	<u>27</u>	<u>18</u>

Note 19 : Trade Receivables

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Outstanding for a period exceeding 6 months from the date they are due for payment		
Secured Considered good*	5,951	7,915
Unsecured Considered good	20,864	21,791
Doubtful	311	142
Less provision for doubtful debts	(311)	(142)
	<u>26,815</u>	<u>29,706</u>
Other trade receivables		
Secured Considered good*	60,393	64,253
Unsecured Considered good	17,131	32,059
Doubtful	505	148
Less provision for doubtful debts	(505)	(148)
	<u>77,524</u>	<u>96,313</u>
	<u>1,04,339</u>	<u>1,26,018</u>

* Secured against securities given as collateral by the customer

Note 20 : Cash and Bank Balances

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Cash and cash equivalents		
Cash in hand	406	63
Cheques on hand	2	173
Schedule bank - In Current accounts	29,867	30,992
In Fixed deposit with original maturity within three months*	240	180
Other bank balance		
Fixed deposit with original maturity more than three months but less than 12 months *	14,385	14,829
Unpaid dividend account	22	15
	<u>44,922</u>	<u>46,252</u>

* Of the above Fixed deposits of ₹ 3,965 lakhs (Previous year ₹ 6,803 lakhs) is under lien with exchange and ₹ 550 lakhs (Previous year ₹ 1,000 lakhs) is under lien with bank for Bank guarantee facility.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Note 21 : Short-Term Loans and Advances

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Secured		
Loans to others		
Standard assets (considered good)	32,209	33,537
Sub-standard assets (considered good)	1,458	–
Doubtful assets	170	–
Unsecured		
Loans to others		
Standard assets (considered good)	1,038	3,640
Doubtful	18	26
Loans to related parties	9	–
Other Loans and Advances		
Margin trading facility	62,566	–
Prepaid expenses	3,746	1,750
For supply of services	821	377
Loan and advances to employees	236	1,894
Balance with government authorities	1,363	2,002
Advance tax (net)	170	90
Deposits with exchange	1,123	2,210
Others	231	303
	1,05,158	45,829

Note 22 : Other Current Assets

	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
Interest accrued but not due on fixed deposit and home loan	3,402	2,319
Stock of stamps	1	1
Sign on bonus pending amortisation	19	10
Stock of acquire properties (held for sale or disposal)	2,291	–
Others	2,027	855
	7,740	3,185

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Note 23 : Revenue from Operations

	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
Brokerage and related activities		
Brokerage and commission income	73,358	50,136
Research and advisory fees	1,137	1,428
Depository income	2,236	1,211
Profit on sale of investments	1,008	207
	<u>77,739</u>	<u>52,982</u>
Investment banking - advisory and referral fees	10,965	8,404
Fund based income		
Loss from arbitrage transaction	(1)	(7)
Profit on sale of investments	13,882	7,069
Dividend income	991	71
Interest income	3,364	3,658
	<u>18,236</u>	<u>10,791</u>
Asset management and advisory fees		
Mutual fund management and advisory fees	23,833	12,028
Portfolio management fees	37,376	21,721
Private equity	5,110	2,965
Private equity - carry income	11,090	11,320
Alternative investment fund	3,326	629
Wealth management	3,632	2,061
	<u>84,367</u>	<u>50,724</u>
Housing finance related interest income	59,122	39,786
Other operating income		
Processing fees	3,314	5,519
Interest income	15,855	9,805
Others	5,197	6,076
	<u>24,366</u>	<u>21,400</u>
	<u>2,74,795</u>	<u>1,84,087</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Note 24 : Other Income

	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
Dividend income	34	154
Profit on sale of investments	1,891	7,817
Profit on sale of fixed assets	10	17
Interest income	150	226
Prior year income	0	8
Miscellaneous income	88	53
	2,173	8,275

Note 25 : Employee Benefits Expenses

	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
Salary, bonus and allowances	44,163	33,205
Contribution to provident and other funds (also refer note 56)	877	600
Expenses on employee stock option scheme (also refer note 59)	3,274	67
Gratuity and other long term benefits (also refer note 56)	622	595
Staff welfare expenses	1,077	873
	50,013	35,340

Note 26 : Finance Cost

	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
Interest cost	48,271	43,109
Other borrowing cost	1,288	1,117
	49,559	44,226

Note 27 : Depreciation and Amortisation

	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
Depreciation and amortisation on fixed assets (also refer note 13)	3,733	3,266
Depreciation on investment property (also refer note 14(a))	16	18
	3,749	3,284

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Note 28(a) : Operating Expenses

	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
Brokerage sharing with intermediaries	32,499	21,300
Depository charges	662	424
Mutual fund expenses	11,436	5,265
Portfolio management services	12,788	7,190
Alternative investment fund	1,227	629
Advisory referral and other expenses	1,373	1,983
	59,985	36,791

Note 28(b) : Administrative and Other Expenses

	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
Rates and taxes	559	299
Rent (also refer note 37 (b))	1,382	1,100
Insurance	139	104
Repairs and maintenance	379	416
Computer repairs and maintenance	751	650
Legal and professional charges	2,935	2,783
Remuneration to auditors (also refer note 36)	96	112
Membership and subscription	62	66
Data processing charges	969	590
Marketing and brand promotion expenses	3,332	2,128
Advertisement expense	2,338	1,076
Printing and stationery	698	530
Power and fuel	837	788
Communication expenses	1,754	1,548
Travelling and conveyance expenses	2,671	2,112
Donations	159	6
Corporate Social responsibility and other expenses (also refer note 52)	702	413
Bad debts written off /trading loss	7,370	1,076
Provision on standard and sub-standard assets and on bad/doubtful debts	6,279	1,053
Impairment of non-current investments (also refer note 14(a))	613	400
Courier expenses	161	106
Entertainment expenses	234	184
Foreign exchange fluctuation	14	16
Preliminary expenses written off	—	1
Miscellaneous expenses	2,569	1,814
	37,003	19,371

Note 29 : Exceptional Item Expense

	For the year ended 31-Mar-18 ₹ in Lakhs	For the year ended 31-Mar-17 ₹ in Lakhs
Loss assets written off	—	(2,788)
	—	(2,788)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Note 30 : Basis of Preparation:

- The Consolidated Financial Statements have been prepared by applying the principles laid in the Accounting Standard (AS) - 21 "Consolidated Financial Statements" and (AS) - 23 "Accounting For Investments in Associates in Consolidated Financial Statements" prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) for the purposes of these Consolidated Balance Sheet and consolidated Statement of Profit and Loss, together referred to as 'Consolidated Financial Statements.' The consolidated financial statements comprises of the financial statements of Motilal Oswal Financial Services Limited, its subsidiaries and associate.
- The notes and significant policies to the consolidated financial statements are intended to serve as a guide for better understanding of the Group's position. In this respect, the Company has disclosed such notes and policies which represent the required disclosure.
- The list of subsidiaries and associate included in the consolidated financial statements are as under:

Name of the entities	As at 31-Mar-18		As at 31-Mar-17		Country of incorporation
	Number of shares	% of Effective holding	Number of shares	% of Effective holding	
I) Name of the Subsidiary Companies					
a) Direct Subsidiaries					
Motilal Oswal Commodities Broker Private Limited	4,10,044	100%	4,10,044	100%	India
Motilal Oswal Investment Advisors Limited	10,00,000	100%	10,00,000	100%	India
MOPE Investment Advisors Private Limited	50,000	85%	50,000	85%	India
Motilal Oswal Fincap Private Limited*	30,00,000	100%	30,00,000	100%	India
b) Step down Subsidiaries					
Motilal Oswal Capital Markets Limited	3,50,000	100%	3,50,000	100%	India
Motilal Oswal Wealth Management Limited	8,00,000	100%	8,00,000	100%	India
Motilal Oswal Asset Management Company Limited	65,00,00,000	99.92%	65,00,00,000	100%	India
Motilal Oswal Trustee Company Limited	1,00,000	100%	1,00,000	100%	India
Motilal Oswal Securities International Private Limited	45,69,200	100%	45,69,200	100%	India
Motilal Oswal Capital Markets (Hongkong) Private Limited	60,00,000	100%	60,00,000	100%	Hong Kong
Motilal Oswal Capital Markets (Singapore) Pte. Limited	13,61,111	100%	13,61,111	100%	Singapore
Motilal Oswal Real Estate Investment Advisors Private Limited ***	8,50,000	85%	85,000	85%	India
Motilal Oswal Real Estate Investment Advisors II Private Limited	7,650	76.50%	7,650	76.50%	India
Aspire Home Finance Corporation Limited **	5,02,89,20,465	96.59%	4,66,41,98,980	96.67%	India
India Business Excellence Management Company	34,000	85%	34,000	85%	Mauritius
Motilal Oswal Asset Management (Mauritius) Private Limited	2,54,804	99.92%	2,05,000	100%	Mauritius
Motilal Oswal Capital Limited	99,923	99.92%	1,00,000	100%	India
II) Associate Enterprise					
India Realty Excellence Fund II LLP	10,000	20.44	10,000	20.44	India

The Mumbai Bench of the Honorable National Company Law Tribunal vide its Order dated 30 July 2018 had approved the Scheme of Amalgamation of Motilal Oswal Securities Limited, an erstwhile wholly owned subsidiary of Motilal Oswal Financial Services Limited with Motilal Oswal Financial Services Limited effective 1 April 2017. Accordingly, the status of Motilal Oswal Securities Limited now stands as 'Amalgamated'.

* On 9 January 2018 name of one of the subsidiary company Motilal Oswal Insurance Brokers Private Limited has been changed to Motilal Oswal Fincap Private Limited.

** On 14 August 2017 the Company Motilal Oswal Financial Services Limited and its Subsidiary Motilal Oswal Investment Advisor Limited has further introduced capital in its subsidiary Aspire Home Finance Corporation Limited of ₹ 6,500 lakhs and ₹ 3,500 lakhs (consisting of 1120 lakhs and 603 lakhs number of equity shares of ₹ 5.80 per share respectively). On 28 March 2018 one of the subsidiary Motilal Oswal Wealth

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd.)

Management Limited has further introduced capital in its fellow subsidiary Aspire Home Finance Corporation Limited of ₹ 5,000 lakhs (1,923 lakhs number of equity shares of ₹ 2.60 per share respectively).

*** On 27 March 2018, one of the subsidiary MOPE Investment Advisors Private Limited has further introduced capital in its subsidiary Motilal Oswal Real Estate Investment Advisors Private Limited of ₹ 90 lakhs (9 lakhs number of equity shares of ₹ 10 per share respectively).

Note 31:

The consolidated financial statements of the Company for the year ended 31 March 2018 were earlier approved by the Board of Directors at its meeting held on 21 May 2018 and reported upon by the statutory auditors vide their report dated 21 May 2018. The said consolidated financial statement did not include the effect of the scheme of merger ("Scheme") of Motilal Oswal Securities Limited ("Transferor Company") with Motilal Oswal Financial Services Limited ("Transferee Company") and their respective shareholders [together referred to as 'merged entities'], which was then approved by the Honourable National Company Law Tribunal, Mumbai Bench ('NCLT') vide its order dated 30 July 2018 and filed with Registrar of Companies on 21 August 2018, with effect from appointed date, 1 April 2017 for the merger. As a result, the aforesaid consolidated financial statements have been revised by the Company so as to give effect to the said scheme of merger. The subsequent events in so far as it relates to the revision to the consolidated financial statements are restricted solely to the aforesaid matter relating to the Scheme and no effect have been given for any other events, if any, occurring after 21 May 2018 (being the date on which the consolidated financial statements were first approved by the Board of Directors of the Company). The Company has transferred the lending business by way of a slump sale on a going concern basis, to its wholly owned subsidiary, Motilal Oswal Capital Markets Limited ("MOCML") as contemplated in the Business Transfer Agreement ("BTA") dated August 20, 2018 at a consideration of ₹ 5,000 lakhs (subject to usual post completion adjustments).

Note 32 : During the year the Company has acquired/Surrender following memberships/licenses:

- On 5 April 2017 one of the subsidiary Motilal Oswal Fincap Private Limited (formerly know as Motilal Oswal Insurance Brokers Private Limited) has applied for surrender of License, to IRDA (Registration No. IRDA/DB439/09 date of Regna 20 August 2013) and IRDA has approved the application on 13 April 2018.
- During the previous year MOPE Investment Advisors Private Limited and Motilal Oswal Real Estate Investment Advisors II Private Limited has submitted the request for surrender of SEBI registration for Investment Advisors, the same is approved by Board of Directors in board meeting held on 23 December 2016 and 20 July 2016 respectively. The SEBI approval for the same is awaited.

Note 33 : Contingent Liabilities and Commitments to the extent not provided for

(A) a) The Company has provided bank guarantees aggregating to ₹ 1,075 lakhs (Previous year : ₹ 2,500 lakhs) as on 31 March 2018 for the following purposes to:

- BSE Limited - ₹ 550 lakhs (Previous year ₹ 1,000 lakhs) for meeting margin requirements.
- National Stock Exchange Limited ₹ 500 lakhs (Previous year ₹ 1,500 lakhs) for meeting margin requirements.
- Unique Identification Authority ₹ 25 lakhs (Previous year Nil) for security deposit

The Company has pledged fixed deposits with banks aggregating ₹ 550 lakhs (Previous year ₹ 1,000 lakhs) for obtaining Bank guarantee.

(B) (a) Contingent Liabilities:

Particulars	(₹ in lakhs)	
	As at 31-Mar-18	As at 31-Mar-17
Demand in respect of Income tax matters for which appeal is pending (Refer note i below)	3,548	4,255
Legal matters in dispute (Refer note iii below)	143	—

(b) Claims against the Company:

Pending against forum	(₹ in lakhs)			
	As on 31-Mar-18		As at 31-Mar-17	
	Number of Cases	Amount	Number of Cases	Amount
Consumer Court Cases	15	30	16	30
Civil Cases	35	1,382	20	511
Arbitration Cases	6	165	2	105
Total	56	1,577	38	647

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

(c) Capital Commitments:

Particulars	(₹ in lakhs)	
	As at 31-Mar-18	As at 31-Mar-17
1 Estimated amount of contracts remaining to be executed on capital account (Refer Note ii)	28,932	53,344
2 Uncalled Liability on shares and other investments partly paid:		
(a) India Realty Excellence Fund II	–	216
(b) India Realty Excellence Fund III	2,000	5,000
(c) India Business Excellence Fund III	12,113	–
i) Demand in respect of Income Tax matters for which appeal is pending is ₹ 3,340 lakhs (Previous year ₹ 4,255 lakhs) out of which ₹ Nil (Previous year ₹ 1,313 lakhs) 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 ₹ 1,256 lakhs till date (Previous year ₹ 928 lakhs) under protest. These does not include interest u/s 234(b) and 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 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.		
ii) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) is ₹ 28,932 lakhs (Previous year : ₹ 53,343 lakhs). Out of which commitments related to loans sanctions but undrawn of ₹ 8,050 lakhs (Previous year : ₹ 26,436 lakhs) and commitments related to loans sanctions but partially undrawn of ₹ 20,130 lakhs (Previous year : ₹ 26,081 lakhs).		
iii) In respect of the legal matters in dispute, the Company is hopeful of succeeding in appeals and does not expect any significant liabilities to materialise.		

Note 34:

- During the current year, the Company has made / (reversed) a provision ₹(6 lakhs) [Previous year ₹ 53 lakhs] being 0.40% (Previous year 0.35%) of its standard assets as per the Notification No. RBI/DNBR2016-17/45 dated 1 September 2016 issued by RBI.
- During the current year, Aspire Housing Finance Corporation Limited, subsidiary company has made a provision ₹ 214 lakhs (Previous year ₹ 814 lakhs) being 0.40% of its standard assets as per the NHB guidelines.

Note 35:

- In accordance with the provisions of section 45- IC of the RBI Act, 1934, the Company has created a Reserve Fund and during the year, the Company has transferred an amount of ₹ 2,594 lakhs (Previous year ₹ 1,726 lakhs) to Statutory Reserve Fund, being 20% of the Profit after tax.
- In accordance with the provisions of section 29C of the NHB Act, 1987, the subsidiary of the Company, Aspire Home Finance Corporation Limited has created a Reserve Fund and during the year, the Company has transferred an amount of ₹ 1,285 lakhs (Previous year ₹ 1,642 lakhs) to Statutory Reserve Fund, being 20% of the Profit after tax.

Note 36 : Auditors remuneration

Particulars	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
As Auditors:		
Statutory audit	87	91
Tax audit	–	4
In other capacity:		
Certification	8	16
Out of pocket expenses	1	1
Total	96	112

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Note 37 : Leases

Particulars	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
a) Operating lease income (Company as a lessor)		
Rent income recognised during the year under the head 'Other Operating Income'	373	341
Minimum future lease receivables:		
Not later than 1 year	29	195
Later than 1 Year and not later than 5 years	–	65
Later than 5 years	–	–
Total	29	260
Building given on lease		
Gross Value	14,056	14,253
Accumulated Depreciation	2,922	2,077
Depreciation	508	514

General description of lease terms (In respect of assets given on lease under non cancellable operating lease)

- i) Lease rentals are charged on the basis of agreed terms.
- ii) Office premises are given on lease for a period of 5 years
- iii) The Company has entered into one lease/license agreement in respect of immovable properties with a party. It contain escalation clause related to lease rentals/license fees with 15% from the 4th year.

General description of lease terms (In respect of assets given on lease under cancellable operating lease)

- i) Lease rentals are charged on the basis of agreed terms.
- ii) Office premises are given on lease for a period of 5 years.
- iii) Agreement is cancellable, by giving prior notice of 30 days by either of the parties.

b) Operating Lease expense (Company as a lessee)

Particulars	As at 31-Mar-18 ₹ in Lakhs	As at 31-Mar-17 ₹ in Lakhs
(a) Lease Payments recognised under the head 'Rent'	1,382	1,100
Minimum future lease payment under non cancellable operating lease:		
Not later than 1 year	611	278
More than 1 year and not later 3 years	464	71
Later than 5 year	–	–
Total	1,075	349

General Description of lease terms (In respect of assets taken on lease):

- i) Lease rentals are charged on the basis of agreed terms.
- ii) Assets are taken on lease for a period of 3 - 5 years.
- iii) All agreements are cancellable at the option of the both the parties by giving prior notice.
- iv) The company 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 38 : Quantitative Information in respect of Income from Arbitrage Transaction

Particulars	31-Mar-18	Value	31-Mar-17	Value
	Quantity	(₹ in lakhs)	Quantity	(₹ in lakhs)
Opening stock	–	–	–	–
Purchase	6,16,004	2,446	8,43,634	4,834
Sales	6,16,004	2,446	8,43,634	4,834
Closing stock	–	–	–	–

Note 39 : Segment Reporting

- 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”.
- 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, etc.
- 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.

Particulars	(₹ in lakhs)															
	Equity Broking and Other related activities		Fund Based activities		Asset Management and Advisory		Investment Banking		Home Finance		Unallocated		Elimination		Total	
	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Revenue:																
External Revenue	95,444	64,108	20,120	12,019	84,668	51,106	11,149	8,642	66,133	56,843	863	605	–	–	2,78,377	1,93,324
Inter-Segment Revenue	9,712	5,083	4,625	3,071	8,485	7,018	92	4	–	25	–	391	(22,914)	(15,591)	–	–
Total revenue	1,05,156	69,191	24,745	15,090	93,153	58,124	11,241	8,646	66,133	56,868	863	996	(22,914)	(15,591)	2,78,377	1,93,324
Result:																
Segment result	19,270	9,987	17,405	4,903	30,793	19,205	8,400	5,474	4,928	12,440	5,498	4,408	(1,408)	(961)	84,886	55,456
Unallocated corporate expenses	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operating profit	–	–	–	–	–	–	–	–	–	–	–	–	–	–	84,886	55,456
Interest expenses	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(8,228)	(4,893)
Interest income	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Tax expense																
Current tax	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(20,220)	(11,012)
Deferred tax	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(212)	(3,097)
Profit from ordinary activities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	56,226	36,454

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

(₹ in lakhs)																
Particulars	Equity Broking and Other related activities		Fund Based activities		Asset Management and Advisory		Investment Banking		Home Finance		Unallocated		Elimination		Total	
	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Extra ordinary items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit for the year before minority interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56,226	36,453
Less: Minority interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(978)	(1,060)
Add : Share of profit from associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	906	604
Net profit for the year after minority interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56,154	35,997
Other information:																
Segment assets	3,00,905	2,09,287	2,41,971	2,20,073	29,815	21,380	4,215	6,397	5,06,877	4,66,216	7,748	7,298	(1,05,080)	(86,511)	9,86,451	8,44,140
Segment liabilities	2,72,237	1,98,358	41,813	58,561	17,735	12,296	1,247	1,905	4,31,066	4,04,853	17,750	10,189	(22,251)	(20,625)	7,59,597	6,65,537
Capital expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,072	2,575
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,749	3,284
Non-cash expenses other than depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,467	6,039

Note 40 : Earnings Per Equity Share

Particulars

	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Net Profit attributable to equity shareholders [A] (₹ in lakhs)	56,154	35,997
Weighted average number of equity shares for Basic EPS Face value ₹ 1 each [B] (In numbers)	14,47,09,536	14,31,75,554
Basic Earnings per share (EPS) (₹) [A/B]	38.80	25.14
Net Profit attributable to equity shareholders [C] (₹ in lakhs)	56,154	35,997
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)	56,154	35,997
Weighted average number of equity shares issued (face value of ₹ 1 each) (In numbers) [E]	14,47,09,536	14,31,75,554
Weighted average number of additional equity shares outstanding for Diluted EPS (In numbers) (F)	23,43,833	20,08,622
Weighted average number of equity shares outstanding for Diluted EPS (In numbers) [E+F]	14,70,53,369	14,51,84,175
Diluted Earnings per share (EPS) (₹) [C-D/E+F]	38.19	24.79

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Note 41 : Provisions made for the year ended 31 March 2018 comprises of

					(₹ in lakhs)
A)	Particulars	Opening balance as on 01-Apr-17	Provided during the year ended 31-Mar-18	Provision Paid / reversed during the year ended 31-Mar-18	Closing balance as on 31-Mar-18
	Ex-gratia (Bonus)	8,392	14,139	9,632	12,899
	Compensated absences	152	81	68	165
	Gratuity	1,345	615	72	1,888
	Other long term benefits	101	35	–	136
	Total	9,991	14,870	9,772	15,088

Provisions made for the year ended 31 March 2017 comprises of

					(₹ in lakhs)
B)	Particulars	Opening balance as on 01-Apr-16	Provided during the year ended 31-Mar-17	Provision Paid / reversed during the year ended 31-Mar-17	Closing balance as on 31-Mar-17
	Ex-gratia (Bonus)	4,207	8,392	4,207	8,392
	Compensated absences	81	152	81	152
	Gratuity	1,102	494	251	1,345
	Other long term benefits	–	101	–	101
	Total	5,390	9,139	4,539	9,991

Note 42:

The Group company has unabsorbed business loss of ₹ 74 lakhs (Previous year ₹ 721 lakhs) on which Deferred tax assets (DTA) of ₹ 22 lakhs (Previous year ₹ 207 lakhs) has been recognised. Such recognition of DTA is created on the basis of Profits / revenue which is going to be generated in future on the basis of present Business arrangement, agreement and mandates. Profit generated from such business deals will be able to recoup the entire amount of existing unabsorbed losses.

Note 43:

Share of profit in associates of ₹ 906 lakhs (Previous year ₹ 604 lakhs) towards partnership gain, Return of capital contribution is reduced from the original cost of investments.

Note 44:

Trade receivables in case of subsidiary company Motilal Oswal Commodities Broker Private limited. includes ₹ 25,179 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 ₹ 24,759 lakhs (Previous year ₹ 24,759 lakhs) which will become due only on receipt from National Spot Exchange Limited.

Note 45 : Proposed Dividend

The final dividend proposed for the year is as follows:

On equity shares of ₹.1 each

Amount of dividend proposed (₹ in lakhs)

Dividend distribution tax on proposed dividend (₹ in lakhs)

Dividend per equity share (₹)

	As at 31-Mar-18	As at 31-Mar-17
	6,529	4,340
	1,342	882
	4.5	3

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Note 46 : Credit Ratings

- During the year, CRISIL has re-affirmed the rating of 'CRISIL A1+' (pronounced 'CRISIL A one Plus') to the short term debt programme of the Company for ₹ 1,30,000 lakhs (Previous year ₹ 25,000 lakhs).
- 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: NA) of the Company.
- During the year, 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 of the company for ₹ 20,000 lakhs (Previous year ₹ 20,000 lakhs).

Note 47 : Amount of margin money and shares received from clients and outstanding as on 31 March 2018 are as follows:

(₹ in lakhs)			
Security Settlement for the	In the form of Securities at market Value*	Bank guarantees and fixed deposits	Received in bank
As at 31 March 2018	2,56,989	3,194	20,465
As at 31 March 2017	1,59,394	7,868	7,476

* Margin money received in the form of securities from clients, as per the Regulations, is held by the Company. Out of this, securities worth ₹ 1,84,468 Lakhs (Previous year ₹ 1,28,194 lakhs) are pledged with Exchange as on 31 March 2018.

Note 48 : Additional Disclosure pertaining to Subsidiaries/Associate as per Schedule III of Companies Act, 2013

Name of the entity	Net assets (i.e. Total assets - Total liabilities)*		Share in profit and (loss)*	
	As % of Consolidated Net Assets	Amount (₹ in lakhs)	As % of Consolidated Profit / (Loss)	Amount (₹ in lakhs)
Motilal Oswal Financial Services Limited	77.03%	1,73,194	54.66%	29,584
Subsidiaries				
Indian				
Motilal Oswal Commodities Broker Private Limited	0.96%	2,160	0.70%	379
Motilal Oswal Investment Advisors Limited	4.58%	10,293	11.15%	6,035
MOPE Investment Advisors Private Limited	0.92%	2,064	9.05%	4,898
Motilal Oswal Capital Markets Limited	0.16%	357	0.04%	22
Motilal Oswal Wealth Management Limited	2.94%	6,599	5.72%	3,098
Motilal Oswal Fincap Private Limited	0.05%	123	-0.14%	(74)
Motilal Oswal Asset Management Company Limited	12.02%	27,034	24.29%	13,147
Motilal Oswal Trustee Company Limited	0.01%	26	0.00%	0
Motilal Oswal Securities International Private Limited	0.20%	444	0.04%	21
Motilal Oswal Real Estate Investment Advisors Private Limited	0.01%	13	-0.02%	(12)
Motilal Oswal Real Estate Investment Advisors II Private Limited	0.28%	622	0.97%	524
Aspire Home Finance Corporation Limited	35.55%	79,922	5.82%	3,149
Motilal Oswal Capital Limited	0.01%	12	0.01%	3
Foreign				
Motilal Oswal Capital Markets (Hongkong) Private Limited	0.05%	110	0.06%	34
Motilal Oswal Capital Markets (Singapore) Pte. Limited	0.52%	1,179	0.06%	31
India Business Excellence Management Company (Registered in Mauritius)	0.46%	1,039	9.97%	5,394

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Name of the entity	Net assets (i.e. Total assets - Total liabilities)*		Share in profit and (loss)*	
	As % of Consolidated Net Assets	Amount (₹ in lakhs)	As % of Consolidated Profit / (Loss)	Amount (₹ in lakhs)
Motilal Oswal Asset Management (Mauritius) Private Limited	0.05%	111	0.09%	50
Total	135.79%	305,302	122.46%	66,284
Associates				
Indian				
India Realty Excellence Fund II LLP	2.61%	5,863	1.67%	906
Total	2.61%	5,863	1.67%	906
Eliminations adjusted	(36.84)%	(82,829)	(22.33)%	(12,087)
Net Total	101.56%	228,337	101.81%	55,103
Minority Interest in all Subsidiaries	(1.56)%	(3,511)	(1.81)%	(978)
Grand Total	100.00%	224,826	100.00%	54,126

* The above figures includes intercompany balances which are reduced separately under eliminations adjusted

Note 49 : Schedule of Investment in Associates

For current year*						(₹ in lakhs)
Name of associate	Original cost of Investment	Goodwill/ (Capital Reserve) included in original cost	Dividend	Investors Shares in accumulated Profit /(loss)	Carrying value	
India Realty Excellence Fund II LLP (Principle Activity - Real Estate) (Owning Interest 20.44%)	4,456	–	–	1,408	5,863	
For previous year*						
India Realty Excellence Fund II LLP (Principle Activity - Real Estate) (Owning Interest 20.44%)	8,473	–	–	961	9,433	

* Net of Receipts on realisation

Note 50:

One of the subsidiary of the Company being Motilal Oswal Securities International Private Limited has entered into a Management services agreement with Mr. Rajesh Dharamshi for rendering services in capacity of independent contractor for Business development to perform such functions as mutually decided, agreed by the parties and is stated in the service agreement at a retainership fees of ₹ 1 lakh subject to tax deducted at source at the prevailing rates in force on a monthly basis.

Remuneration payable to them would be in capacity of Independent Contractor and not in the capacity of Director of the subsidiary company; as a result the remuneration payable to him would be construed purely on grounds of professional nature.

The remuneration paid to them would not be included for calculation of remuneration payable to Directors as per the provision of Section 197 of the Companies Act, 2013.

As per section 197 of the Companies Act, 2013, the subsidiary company is in the process of making an appropriate application to the Central government for seeking its opinion that the services rendered by them are of professional nature and not in the capacity as director of the subsidiary company.

Note 51:

The Company being Motilal Oswal Financial Services Limited gives secured loans to its customers, wherein towards such loan the customers give their owned securities (shares) as a security to the Company which are either pledged in favour of the Company

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

or are transferred to Company's depository participant account. Such shares are kept by the Company in a separate depository participant account maintained by the Company for all such purposes.

Note 52 : 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 year ended 31 March 2018.

- Gross amount required to be spent by the Group during the year ₹ 587 lakhs (Previous year ₹ 336 lakhs)
- Amount spent during the year on :

(₹ in lakhs)						
Particulars	For the year ended 31-Mar-18			For the year ended 31-Mar-17		
	Amount paid	Amount yet to be paid	Total	Amount paid	Amount yet to be paid	Total
a) Construction/acquisition of any asset :	19	–	19	105	7	111
b) On purposed other than (a) above are as follows:	682	–	682	302	–	302
Total	702	–	702	407	7	413

- Above includes a contribution of ₹ 431 lakhs (Previous year ₹ 211 lakhs) to Motilal Oswal Foundation which is classified as related party under Accounting Standard 18 - " Related Party Disclosures".
- The Company has provision for corporate social responsibility expenses of Nil (Previous year ₹ 7 lakhs) which is already paid through Motilal Oswal Foundation.

Note 53 : Foreign Currency Transactions

a) Expenditure in foreign currency (on accrual basis)

Particulars	(₹ in lakhs)	
	As at 31-Mar-18	As at 31-Mar-17
Travelling expenses	367	268
Legal and professional charges	44	55
Advisory fees	245	177
Marketing commission	11	14
Communication expenses	10	5
Overseas salaries and incentives	6	–
Membership fees	29	64
Software charges	232	189
Loading and boarding expense	20	67
Client entertainment expense	0	2
Examination fees	1	2
Audit fees	16	18
Placement fees	80	–
PMS commission and mutual fund	73	–
Other borrowing cost - loan processing fees	–	106
Total	1,134	967

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

b) Income in Foreign Currency (on accrual basis)

Particulars	(₹ in lakhs)	
	As at 31-Mar-18	As at 31-Mar-17
Royalty	6	5
Advisory fees	4,306	3,645
Other income	5,387	5,709
Investment management fees	40	22
Total	9,739	9,382

Note 54 : Unhedged Foreign Currency Exposure

Particulars	Currency	(Amount in lakhs)	
		For the year ended 31-Mar-18	For the year ended 31-Mar-17
a) Receivables			
Foreign currency exposure outstanding	USD (USA Dollar)	0.53	0.84
	INR (Indian Rupees)	34.48	54.44
	HKD (Hongkong Dollar)	6.67	–
	INR (Indian Rupees)	55.17	–
Foreign currency receivable in next 5 years including interest	USD (USA Dollar)	0.53	0.84
	INR (Indian Rupees)	34.48	54.44
	HKD (Hongkong Dollar)	6.67	–
	INR (Indian Rupees)	55.17	–
Unhedged foreign currency exposure	USD (USA Dollar)	0.53	0.84
	INR (Indian Rupees)	34.48	54.44
	HKD (Hongkong Dollar)	6.67	–
	INR (Indian Rupees)	55.17	–
b) Payables			
Foreign currency exposure outstanding	USD (USA Dollar)	0.65	0.40
	INR (Indian Rupees)	42.25	26.91
	GBP (Great Britain Pounds)	0.02	–
	INR (Indian Rupees)	1.60	–
	SGD (Singapore Dollar)	5.34	1.43
	INR (Indian Rupees)	254.51	66.37
Foreign currency receivable in next 5 years including interest	USD (USA Dollar)	0.65	0.40
	INR (Indian Rupees)	42.25	26.91
	GBP (Great Britain Pounds)	0.02	–
	INR (Indian Rupees)	1.60	–
	SGD (Singapore Dollar)	5.34	1.43
	INR (Indian Rupees)	254.51	66.37
Unhedged foreign currency exposure	USD (USA Dollar)	0.65	0.40
	INR (Indian Rupees)	42.25	26.91

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

(Amount in lakhs)			
Particulars	Currency	For the year ended 31-Mar-18	For the year ended 31-Mar-17
	GBP (Great Britain Pounds)	0.02	–
	INR (Indian Rupees)	1.60	–
	SGD (Singapore Dollar)	5.34	1.43
	INR (Indian Rupees)	254.51	66.37
c) Investments			
Foreign currency exposure outstanding	HKD (Hongkong Dollar)	49.00	49.00
	INR (Indian Rupees)	412.00	412.00
	SGD (Singapore Dollar)	22.00	22.00
	INR (Indian Rupees)	1041.00	1041.00
Foreign currency receivable in next 5 years including interest*	HKD (Hongkong Dollar)	N.A	N.A
	INR (Indian Rupees)	N.A	N.A
	SGD (Singapore Dollar)	N.A	N.A
	INR (Indian Rupees)	N.A	N.A
Unhedged foreign currency exposure	HKD (Hongkong Dollar)	49.00	49.00
	INR (Indian Rupees)	412.00	412.00
	SGD (Singapore Dollar)	22.00	22.00
	INR (Indian Rupees)	1041.00	1041.00

* These investments are strategic and long term in nature, hence the period of their realisation is not ascertainable

Note 55:

Previous year figures have been regrouped/reclassified, wherever necessary to confirm with the current year presentation as listed in the below table:

(₹ in lakhs)				
Revised schedule	Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	Remarks
Note 23: Revenue from operations	Rental Income	1.26	1.26	Rental income of Transferor company has been reclassified from miscellaneous income under the head "other income" to other operating income under the head "revenue from operations".
Note 13: Property, plant and equipment	Leased Property	2936	3087	Leased out property of Transferor company has been reclassified from "non-current investment" to "Property, plant and equipment".
Note 27: Depreciation and amortisation	Depreciation	152	110	Depreciation on leased out property of Transferor company has been reclassified from Depreciation on investment property to Depreciation and amortization on fixed assets.

Note 56:

The following table set out the Employee Benefit Disclosure as per AS 15.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

a) Defined Contribution Plan

Contribution to defined contribution plans, recognised as expense for the year is as under :

Particulars	(₹ in lakhs)	
	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Employers Contribution to provident fund and administrative expenses	713	534
Employers Contribution to ESIC	136	43
Employers Contribution to NPS	28	24
Total	877	600

(b) 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 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 Accounting Standard 15 "Employee benefits" and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Particulars	(₹ in lakhs)			
	Gratuity		Other Long term benefits	
	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17
I Actuarial assumptions				
Mortality	IALM(2006-08) Ult.	IALM(2006-08) Ult.	IALM(2006-08) Ult.	IALM(2006-08) Ult.
Average Interest / discount rate	6.84%	6.20%	5.93%	6.69%
Average Rate of increase in compensation	10.66%	8.31%	0.00%	0.00%
Average Rate of return (expected) on plan assets			-	
Average employee attrition Rate(Past service (PS))	PS: 0 to 37 : 19.34%	PS: 0 to 37 : 19.08%	PS: 0 to 37 : 28.02%	PS: 0 to 37 : 28.02%
Expected average remaining service (years)	3.41	4.54	2.52	2.40
II Changes in present value of defined benefit obligations				
Liability at beginning of year	1,345	1,102	101	-
Interest cost	89	73	-	-
Current service cost	527	290	35	101
Past service cost- (non vested benefits)	14	-	-	-
Past service cost -(vested benefits)	259	-	-	-
Benefits paid	(72)	(251)	-	-
Actuarial (gain)/loss on obligation	(274)	131	-	-
Unrecognised past service cost - (non vested benefits)			-	
Liability at end of year	1,888	1,345	136	101
III Changes in fair value of plan assets				
Fair Value of plan assets at beginning of year	-	-	-	-
Expected return on plan assets	-	-	-	-
Contributions	72	251	-	-
Benefit paid	(72)	(251)	-	-
Actuarial gain/(loss) on plan assets	-	-	-	-
Fair Value of plan assets at end of year	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

(₹ in lakhs)				
Particulars	Gratuity		Other Long term benefits	
	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17
IV Fair value of plan assets				
Fair value of plan assets at beginning of year	–	–	–	–
Actual return on plan assets	–	–	–	–
Contributions	72	251	–	–
Benefit paid	(72)	(251)	–	–
Fair value of plan assets at end of year	–	–	–	–
Funded status (including unrecognised past service cost)	(1,888)	(1,345)	(136)	(101)
Excess of actual over estimated return on plan assets	–	–	–	–
V Actuarial gain/(loss) recognised				
Actuarial gain/(loss) for the year (obligation)	(274)	131	–	–
Actuarial gain/(loss) for the year (plan assets)	–	–	–	–
Total gain/(loss) for the year	(274)	131	–	–
Actuarial gain/(loss) recognised for the year	(274)	131	–	–
Unrecognised actuarial gain/(loss) at end of year	–	–	–	–
VI Past service cost recognised				
Past service cost- (non vested benefits)	14	–	–	–
Past service cost -(vested benefits)	259	–	–	–
Average remaining future service till vesting of the benefit	–	–	–	–
Recognised past service cost- non vested benefits	14	–	–	–
Recognised past service cost- vested benefits	259	–	–	–
Unrecognised past service cost- non vested benefits	–	–	–	–
VII Amounts to be recognised in the balance sheet and Statement of Profit and Loss account				
PVO at end of the year	1,888	1,345	136	101
Fair value of plan assets at end of year	–	–	–	–
Funded status	(1,888)	(1,345)	(136)	(101)
Unrecognised actuarial gain/(loss)	–	–	–	–
Unrecognised past service cost- non vested benefits	–	–	–	–
Net asset/(liability) recognised in the balance sheet	(1,888)	(1,345)	(136)	(101)
VIII Expense recognised in the Statement of Profit and Loss account				
Current service cost	527	290	35	101
Interest cost	89	73	–	–
Past service cost- (non vested benefits)	14	–	–	–
Past service cost “(vested benefits)	259	–	–	–
Unrecognised past service cost- non vested benefits	–	–	–	–
Expected return on plan assets	–	–	–	–
Net actuarial (gain)/loss recognised for the year	(274)	131	–	–
Expense recognised in the statement of Profit and Loss account	614	494	35	101

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

(₹ in lakhs)				
Particulars	Gratuity		Other Long term benefits	
	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17
IX Movements in the liability recognised in Balance Sheet				
Opening net liability	1,345	1,102	101	–
Expenses as above	614	494	35	101
Contribution paid	(72)	(251)	–	–
Closing net liability	1,888	1,345	136	101
X Schedule III of the Companies Act, 2013				
Current liability	605	227	65	–
Non-current liability	1,283	1,118	71	101

Note 57 (a):

All the figures presented in the disclosures as per guidelines for NBFC-ND-SI as regards to capital adequacy, liquidity and other disclosure norms, have been presented based on the financial statement of the transferee company without giving effect to the Scheme of Amalgamation.

Disclosures as per guidelines for NBFC-ND-SI as regards capital adequacy, liquidity and disclosure norms of Holding Company - Motilal Financial Services Limited

A. Capital Adequacy

Sr. No.	Particulars	As at 31-Mar-18	As at 31-Mar-17
i)	CRAR (%)	46.90%	39.31%
ii)	CRAR - Tier I Capital (%)	46.80%	39.20%
iii)	CRAR - Tier II Capital (%)	0.10%	0.11%
iv)	Amount of subordinated debt raised as Tier-II capital	–	–
v)	Amount raised by issue of Perpetual Debt Instruments	–	–

B. Investments

		(₹ in lakhs)	
Sr. No.	Particulars	As at 31-Mar-18	As at 31-Mar-17
1)	Value of investments		
	(i) Gross value of investments		
	(a) In India	64,798	65,978
	(b) Outside India	–	–
	(ii) Provisions for depreciation*		
	(a) In India	227	137
	(b) Outside India	–	–
	(iii) Net value of investments		
	(a) In India	64,571	65,841
	(b) Outside India	–	–
2)	Movement of provisions held towards depreciation on investments		
	(i) Opening balance	137	17
	(ii) Add : Provisions made during the year	90	120
	(iii) Less : Write-off / write-back of excess provisions during the year	–	–
	(iv) Closing balance	227	137

* Provision for depreciation includes provision for diminution in value of Investment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

C. Derivatives

The Company has no transactions/exposure in derivative during the current and previous year.

The Company has no unhedged foreign currency exposure as on March 31, 2018 (Previous year: Nil)

D. Disclosures relating to securitisation

(i) The Company has not entered into securitisation transactions during the current and previous year.

(ii) **Details of financial assets sold to securitisation/reconstruction company for asset reconstruction:**

The Company has not sold any financial assets to securitisation/reconstruction company for asset reconstruction in the current and previous year.

(iii) **Details of assignment transactions:** There are no assignment transaction during the current and previous year

(iv) **Details of non-performing financial assets purchased/sold -** The Company has not purchased/sold any non-performing financial asset during the current and previous year.

E) i) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities

(₹ in lakhs)									
As at 31 March 2018									
Particulars	Upto 30 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Assets									
Advances	11,500	7,000	6,000	4,777	–	–	–	–	29,277
Investments	–	–	–	–	–	6,816	42,051	15,705	64,571
Foreign currency assets	–	–	–	–	–	–	–	–	–
Liabilities									
Borrowings (Refer note 2)	10,000	11,829	10,000	–	–	–	–	–	31,829
Deposits (Refer note 3)	–	–	–	–	–	–	–	–	–
Foreign currency liabilities	–	–	–	–	–	–	–	–	–

ii) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities.

(₹ in lakhs)									
As at 31 March 2017									
Particulars	Upto 30 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year upto 3 years	Over 3 years upto 5 years	Over 5 years	Total
Assets									
Advances	7,000	8,000	6,000	5,000	7,421	–	–	–	33,421
Investments	–	–	–	–	8,000	3,411	38,151	16,279	65,841
Foreign currency assets	–	–	–	–	–	–	–	–	–
Liabilities									
Borrowings (Refer note 2)	13,403	17,356	–	–	5,000	10,000	–	–	45,759
Deposits (Refer note 3)	–	–	–	–	–	–	–	–	–
Foreign currency liabilities	–	–	–	–	–	–	–	–	–

Notes:

- The above maturity pattern is determined on management estimation.
- Borrowing does not include accrued interest on borrowings
- The Company does not accept public deposits.
- Terms and conditions of the advances does not have any repayment schedule. They are repayable on demand. Hence the categorization of advances over various maturity patterns as shown above is as per the past trends, which has been identified by the management and relied upon by the auditors.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

F. Exposures

F.1 Exposure to real estate sector

Sr. No.	Category	₹ in lakhs	
		As at 31-Mar-18	As at 31-Mar-17
a)	Direct exposure		
	(i) Residential mortgages -		
	Lending fully secured by mortgages on residential borrower that is or will be occupied by the borrower or that is rented	206	156
	(ii) Commercial real estate -		
	Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based limits	—	—
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
	a. Residential	—	—
	b. Commercial real estate	—	—
b)	Indirect exposure		
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	11,186	7,686
	Others	5,707	6,175
	Total exposure to real estate sector	17,099	14,016

F.2 Exposure to capital market

Sr. No.	Particulars	₹ in lakhs	
		As at 31-Mar-18	As at 31-Mar-17
(i)	direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	57,755	58,430
(ii)	advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	10,065	11,352
(iii)	advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;*	—	1,310
(iv)	advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;*	—	—
(v)	secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	10,209	8,597
(vi)	loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;*	—	—
(vii)	bridge loans to companies against expected equity flows / issues;*	—	—
(viii)	all exposures to Venture Capital Funds (both registered and unregistered)	6,179	9,558
	Total exposure to capital market	84,208	89,247

* These details are as identified and represented by the management and relied upon by the auditors

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

F.3 Details of financing of parent Company products: Nil (Previous year Nil)

F.4 Details of Single borrower limits (SBL) / Group borrower limit (GBL) exceeded by the applicable NBFC

The Company has not exceeded the Single Borrower Limit (SBL) or Group Borrower Limit (GBL) as defined in RBI (Previous year : Nil).

F.5 Unsecured advances

During the year, the Company has not given any advance against collateral of rights, licenses, authority, etc. (Previous year : Nil).

G Miscellaneous

G.1 Registration obtained from other financial sector regulators

No registration has been obtained from other financial sector regulators.

G.2 Penalties or Fines imposed by Reserve Bank of India

During the Financial year 2017-18, no penalties or fines have been imposed by Reserve Bank of India (Previous year : Nil).

G.3 Related Party Transactions

Refer note no. 38 for transaction with related parties

G.4 Ratings assigned by credit rating agencies and migration of ratings during the year

Refer note no. 33 for ratings assigned by credit rating agencies and migration of ratings during the year

G.5 Remuneration of Directors (Non-executive)

Particulars	(₹ in lakhs)	
	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Sitting fees	4	4
Commission	15	12

H Additional disclosures

H.1 Provisions and contingencies

	(₹ in lakhs)	
	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Break up of 'provisions and contingencies' shown under the head expenditure in profit and loss account		
Provisions for depreciation on Investment	90	120
Provision towards NPA	80	3
Provision made towards Income tax	3,276	(58)
Other provision and contingencies (with details)*	247	92
Provision for standard assets	(6)	53
*Other provisions and contingencies		
Provision for employee benefits	58	7
Provision for ex-gratia	189	83
Provision for compensated absence	(0)	3
	247	92

H.2 Drawn down from reserve

No draw down from reserve during the year (Previous year: Nil)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

H.3 Concentration of advances

Particulars	(₹ in lakhs)	
	As at 31-Mar-18	As at 31-Mar-17
Total advances to twenty largest borrowers	19,888	23,063
Percentage of advances to twenty largest borrowers to total advances of the Company (%)	67.93%	69.01%

H.4 Concentration of exposures

Particulars	(₹ in lakhs)	
	As at 31-Mar-18	As at 31-Mar-17
Total Exposure to twenty largest borrowers	34,823	44,000
Percentage of exposure to twenty largest borrowers to total exposure of the Company (%)	31.21%	40.26%

H.5 Concentration of NPAs

Particulars	(₹ in lakhs)	
	As at 31-Mar-18	As at 31-Mar-17
Total exposure to top four NPA accounts	895	26

H.6 Sector - wise NPAs

Percentage of NPAs to Total Advances in that sector		As at 31-Mar-18	As at 31-Mar-17
Sr. No.	Sector		
1	Agriculture and allied activities	—	—
2	MSME	—	—
3	Corporate borrowers	0.10%	0.11%
4	Services	—	—
5	Unsecured personal loans	—	—
6	Auto loans	—	—
7	Other personal loans	8.73%	0.09%

H.7 Movement of NPAs

Sr. No.	Particulars	As at 31-Mar-18	As at 31-Mar-17
(i)	Net NPAs to Net Advances (%)	2.72%	0.00%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	26	3,725
	(b) Additions during the year	877	—
	(c) Reductions during the year	(8)	3,699
	(d) Closing balance	895	26
(iii)	Movement of Net NPAs		
	(a) Opening balance	—	2,835
	(b) Additions during the year	789	—
	(c) Reductions during the year	—	2,835
	(d) Closing balance	789	—
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	26	889
	(b) Provisions made during the year	88	3
	(c) Write-off / (write-back) of excess provisions	(8)	(866)
	(d) Closing balance	106	26

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

H.8 Overseas assets (for those with joint ventures and subsidiaries abroad)

Sr. No	Name of the joint venture/ subsidiary	Other Partner in the JV	Country	Total Assets as at 31-Mar-18	Total Assets as at 31-Mar-17
a)	Motilal Oswal Capital Markets (Hong Kong) Private Limited (Subsidiary)	NA	Hong Kong	175	84
b)	Motilal Oswal Capital Markets (Singapore) Pte. Limited (Subsidiary)	NA	Singapore	1,255	1,100
c)	India Business Excellence Management Company (Subsidiary)	NA	Mauritius	1,829	1,212
d)	Motilal Oswal Asset Management (Mauritius) Private Limited (Subsidiary)	NA	Mauritius	133	54
	Note: Subsidiaries includes step-down subsidiaries				

H.9 Off Balance Sheet SPV sponsored

The Company does not have any off balance sheet SPV sponsored (Previous year : Nil).

I) Disclosures of Compliant

I.1 Customer Complaints*

Sr. No	Particulars	As at 31-Mar-18	As at 31-Mar-17
a)	Number of customer complaints pending at the beginning of the year	–	–
b)	Number of customer complaints received during the financial year	1	3
c)	Number of customer complaints redressed during the financial year	1	3
d)	Number of customer complaints pending at the end of the year	–	–

* Details of customer complaints given here are as represented by the management and relied upon by the auditors.

J) Schedule to the Balance Sheet of “Motilal Oswal Financial Services Limited” as at 31 March 2018 and 31 March 2017 (as required in terms of paragraph 13 of Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015

(₹ in lakhs)					
	Liabilities side :	As at 31-Mar-18		As at 31-Mar-17	
		Amount outstanding	Amount overdue	Amount outstanding	Amount overdue
1)	Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:				
	(a) Debentures : Secured	–	–	10,344	–
	: Unsecured	–	–	–	–
	(other than falling within the meaning of public deposits)				
	(b) Deferred Credits	–	–	–	–
	(c) Term Loans	10,688	–	10,688	–
	(d) Inter-corporate loans and borrowing	4	–	–	–
	(e) Commercial paper	11,857	–	19,820	–
	(f) Other loans (Borrowings)	10,035	–	6,006	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

		(₹ in lakhs)	
		As at 31-Mar-18	As at 31-Mar-17
	Assets side :		
2)	Break-up of Loans and Advances including bills receivables [other than those included in (4) below]	Amount outstanding	Amount outstanding
	(a) Secured	17,214	20,072
	(b) Unsecured	12,064	13,350
		29,278	33,422
3)	Break up of Leased Assets and stock on hire and other assets counting towards AFC activities		
	(i) Lease assets including lease rentals under sundry debtors:		
	(a) Financial lease	–	–
	(b) Operating lease - Refer note 5 below	8,198	7,639
	(ii) Stock on hire including hire charges under sundry debtors:		
	(a) Assets on hire	–	–
	(b) Repossessed Assets	–	–
	(iii) Other loans counting towards AFC activities		
	(a) Loans where assets have been repossessed	–	–
	(b) Loans other than (a) above	–	–
4)	Break-up of Investments :		
	Current Investments :		
	1. Quoted		
	(i) Shares : (a) Equity	–	–
	(b) Preference	–	–
	(ii) Debentures and bonds	–	–
	(iii) Units of mutual funds	–	–
	(iv) Government securities	–	–
	(v) Others (please specify)	–	–
	2. Unquoted		
	(i) Shares : (a) equity	–	8,000
	(b) preference	–	–
	(ii) Debentures and bonds	–	–
	(iii) Units of mutual funds	–	–
	(iv) Government securities	–	–
	(v) Others (please specify)	–	–
	Long term Investments :		
	1. Quoted		
	(i) Shares : (a) Equity	–	–
	(b) Preference	–	–
	(ii) Debentures and bonds	–	–
	(iii) Units of mutual funds	–	–
	(iv) Government Securities	–	–
	(v) Others (please specify)	–	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

		(₹ in lakhs)	
		As at 31-Mar-18	As at 31-Mar-17
2.	Unquoted		
	(i) Shares : (a) Equity	15,705	12,279
	(b) Preference	–	–
	(ii) Debentures and bonds	–	700
	(iii) Units of mutual funds	42,051	38,151
	(iv) Government Securities	–	–
	(v) Others (Investment in Private equity funds and Investment Property)	6,816	6,711
	Total	64,571	65,841

5) Borrower group-wise classification of assets financed as in (2) and (3) above:			
(₹ in lakhs)			
Amount net of provision (Refer Note No. 6)			
Category	As at 31-Mar-18		
	Secured	Unsecured	Total
1.	Related Parties		
	–	19,205	19,205
	–	–	–
	–	–	–
2.	Other than related parties		
	17,126	1,039	18,165
	17,126	20,244	37,370
(₹ in lakhs)			
Amount net of provision (Refer Note No. 6)			
Category	As at 31-Mar-17		
	Secured	Unsecured	Total
1.	Related Parties		
	–	16,594	16,594
	–	–	–
	–	–	–
2.	Other than related parties		
	20,072	4,429	24,501
	20,072	21,024	41,095

6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)				
(₹ in lakhs)				
Category	As at 31-Mar-18		As at 31-Mar-17	
	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
1.	Related Parties			
	1,31,933	15,705	1,05,932	12,279
	–	–	–	–
	–	–	–	–
2.	Other than related parties (Refer note 4)			
	75,298	48,866	73,118	53,562
	2,07,230	64,571	1,79,051	65,841

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

7)	Other Information	(₹ in lakhs)	
	Particulars	As at 31-Mar-18	As at 31-Mar-17
	(i) Gross non- performing assets	895	26
	(a) Related parties	–	–
	(b) Other than related parties	895	26
	(ii) Net non- performing assets	–	–
	(a) Related parties	–	–
	(b) Other than related parties	789	–
	(iii) Assets acquired in satisfaction of debt	–	–

Notes:

- Provisioning norms shall be applicable as prescribed in Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 whichever is applicable.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt.
- In respect of investment in subsidiaries, Net Asset value is computed on the basis of book value.
- In respect of investment in Private Equity fund, unquoted debentures and Investment in property, book value has been taken as fair value due to unavailability of fair value and for investment in mutual funds, NAV has been taken for calculation of fair value.
- Lease assets include the value of Fixed Assets at Written Down Value.
- The figures are not netted with provision against standard assets as it is not a specific provision.
- Exposure to related party by way of demand loans are considered at the closing balance of the demand loan as on 31 March 2018.

Note 57 (b):

Disclosures as per guidelines by National Housing Bank of Subsidiary Company-Aspire Home Finance Corporation Limited

- A. Provision in respect of standard, sub-standard, doubtful and loss assets are recorded in accordance with guidelines on prudential norms as specified by National Housing Bank are as follows:

Particulars	(₹ in lakhs)	
	Housing Loans	Non-Housing Loans
As at 31 March 2018		
Standard Asset		
Principal outstanding	4,65,585	32
Provisions	1,862	0
Sub-standard assets		
Principal outstanding	17,189	–
Provisions	4,085	–
Doubtful assets		
Principal outstanding	5,147	–
Provisions	1,816	–
Total		
Principal outstanding	4,87,920	32
Provisions	7,763	0

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Particulars	(₹ in lakhs)	
	Housing Loans	Non-Housing Loans
Less:		
Total		
EMI Debtor/Pre EMI interest	1,625	–
Provisions on the above	77	–
Net balance		
Principal outstanding	4,86,295	32
Provisions	7,686	0
As at 31 March 2017		
Standard Asset		
Total outstanding	4,12,063	9
Provisions	1,648	0
Sub-standard assets		
Total outstanding	1,641	–
Provisions	246	–
Doubtful asset		
Total outstanding	762	–
Provisions	223	–
Total		
Total outstanding	4,14,467	9
Provisions	2,118	0
Less:		
Total		
EMI Debtor/Pre EMI interest	(275)	–
Provisions on the above	(1)	–
Net balance		
Principal outstanding	4,14,192	9
Provisions	2,116	0
Investments		
Current year		
Standard Asset		
Principal outstanding	–	–
Provisions	–	–
Previous year		
Standard Asset		
Principal outstanding	–	–
Provisions	–	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

B. Disclosure pursuant to circular no. NHB/CND/DRS/Pol circular 61/2013-14 dated 7 April 2014 issued by NHB.

Statutory reserve

Particulars	(₹ in lakhs)	
	As at 31-Mar-18	As at 31-Mar-17
Balance at the beginning of the year		
a) Statutory reserve (As per Section 29C of The National Housing Bank Act, 1987)	696	–
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987	1,789	843
Addition / appropriation / withdrawals during the year		
Add:		
a) Amount transferred as per Section 29C of The National Housing Bank Act, 1987.	–	696
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987	1,285	945
Less:		
a) Amount appropriate as per Section 29C of The National Housing Bank Act, 1987.	–	–
b) Amount of withdrawn from special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987.	–	–
Balance at the end of the year		
a) Statutory reserve (As per Section 29C of The National Housing Bank Act, 1987)	696	696
b) Amount of withdrawn from special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987.	3,074	1,789
Total	3,771	2,485

C. Capital to Risk Asset Ratio (CRAR)

Disclosure pursuant to circular no. NHB/ND/DRS/POL-No.35/2010-11 dated 11 October 2010 and Notification No. NHB.HFC. CG-DIR.1/MD&CEO/2016 dated 9 February 2017 issued by NHB.

Particulars	(₹ in lakhs)	
	As at 31-Mar-18	As at 31-Mar-17
CRAR (%)	37.78%	31.37%
CRAR - Tier I Capital (%)	35.52%	28.05%
CRAR - Tier II Capital (%)	2.26%	3.32%
Amount of subordinated debt raised as Tier - II Capital (Considered for Tier - II capital - ₹ 3,000 lakhs)	5,000	5,000
Amount raised by issue of perpetual debt Instruments	–	–

D. Exposure to Real estate sector

Disclosure pursuant to circular no. NHB/ND/DRS/POL-No.35/2010-11 dated 11 October 2010 and Notification No. NHB.HFC. CG-DIR.1/MD&CEO/2016 dated 9 February 2017 issued by NHB.

Particulars	(₹ in lakhs)	
	As at 31-Mar-18	As at 31-Mar-17
Category		
a) Direct exposure		
(i) Residential mortgage:		
Lending fully secured by mortgage on residential property that is or will be occupied by the borrower or that is rented;		

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Particulars	(₹ in lakhs)	
	As at 31-Mar-18	As at 31-Mar-17
Housing Loan up to ₹ 15 Lakhs	3,59,299	2,87,993
Housing Loan more than ₹ 15 Lakhs	1,26,890	1,26,199
(ii) Commercial real estate:		
Lending secured by mortgages on commercial real estates (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or ware house space, hotels, land acquisitions, development and construction, etc.) Exposure would also include non-fund based (NFB) limits;	–	–
(iii) Investment in mortgage backed securities (MBS) and other securitised exposures:		
(a) Residential	–	–
(b) Commercial real estate	–	–
b) Indirect exposure		
Fund based and non fund based exposures on National Housing bank (NHB) and Housing Finance Companies (HFCs)	–	–

E. Asset liability management

Maturity pattern of certain items of asset and liabilities - As at 31 March 2018

Pattern	(₹ in lakhs)										
	"1 day to 30-31 days (one month)"	Over one month to 2 months	Over 2 months upto 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Liabilities											
Deposits	–	–	–	–	–	–	–	–	–	–	–
Borrowings from banks	5,185	769	5,328	6,979	16,265	57,109	47,341	26,036	10,672	6,143	1,81,828
Market borrowings	–	2,500	9,000	30,500	11,500	106,020	10,000	34,970	5,000	–	2,09,490
Foreign currency liabilities	–	–	–	–	–	–	–	–	–	–	–
Assets											
Advances*	1,938	1,271	1,284	3,923	8,215	37,637	44,336	49,842	80,024	2,60,466	4,88,936
Investments	–	–	–	–	–	–	–	–	–	–	–
Foreign Currency Assets	–	–	–	–	–	–	–	–	–	–	–

Maturity pattern of certain items of asset and liabilities - As at 31 March 2017

Pattern	(₹ in lakhs)										
	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Liabilities											
Deposits	–	–	–	–	–	–	–	–	–	–	–
Borrowings from banks	727	756	2,768	5,747	12,042	50,021	41,919	24,110	14,004	5,797	1,57,890
Market borrowings	–	10,000	–	–	–	1,29,520	40,000	34,970	5,000	–	2,19,490
Foreign currency liabilities	–	–	–	–	–	–	–	–	–	–	–
Assets											
Advances*	1,579	1,025	1,037	3,173	6,652	30,094	34,490	36,150	59,522	2,40,470	4,14,192
Investments	27,983	–	–	–	–	–	–	–	–	–	27,983

* Advances does not include personal loan given to employees.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

F. Disclosure pursuant to Notification No. NHB.HFC.DIR.1/CMD/2010 dated 10 June 2010 issued by NHB.

Particulars	(₹ in lakhs)	
	As at 31-Mar-18	As at 31-Mar-17
I Penalty		
Penalty if any levied by National Housing Bank	—	—
II Adverse remarks		
Adverse remarks if any given by National Housing Bank	—	—
III % of outstanding loans granted against collateral gold jewellery to their outstanding total assets.		
Percentage of outstanding loans granted against the collateral gold jewellery to their outstanding total assets	—	—

G. Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9 February 2017 issued by NHB for Investments.

Particulars	(₹ in lakhs)	
	As at 31-Mar-18	As at 31-Mar-17
(a) Value of Investments		
(I) Gross value of investments		
(a) In India	—	1,716
(b) Outside India	—	—
(II) Provisions for Depreciation		
(a) In India	—	—
(b) Outside India	—	—
(III) Net value of investments		
(a) In India	—	1,716
(b) Outside India	—	—
(b) Movements of provisions held towards depreciation in investments		
(I) Opening balance	—	—
(II) Add : Provisions made during the year	—	—
(III) Less : Write-off/ Written- back of excess provisions during the year	—	—
(IV) Closing balance	—	—

H. Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9 February 2017 issued by NHB for Single borrower/ Group borrower limit exceeded by HFC.

Particulars	(₹ in lakhs)	
	As at 31-Mar-18	As at 31-Mar-17
Amount outstanding for Single borrower limit	—	—
Amount outstanding for Group borrower limit	—	—

I. Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9 February 2017 issued by NHB for Provisions and Contingencies.

Particulars	(₹ in lakhs)	
	As at 31-Mar-18	As at 31-Mar-17
1. Provisions for depreciation on investment	—	—
2. Provisions made towards income tax (net of reversal of tax of earlier year)	3,318	3,974
3. Provisions towards NPAs	5,431	411
3. Provisions for standard assets	214	814
4. Other provision and contingencies	—	—
Gratuity	20	96

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Particulars	₹ in lakhs	
	As at 31-Mar-18	As at 31-Mar-17
Compensated absence	(4)	78
Provision for expenses	117	474

J. Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9 February 2017 issued by NHB for concentration of NPAs.

Particulars	₹ in lakhs	
	As at 31-Mar-18	As at 31-Mar-17
Total exposure to top ten NPA accounts	245	246

K. Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9 February 2017 issued by NHB for sector wise NPA's Provisions and Contingencies.

Particulars	₹ in lakhs	
	As at 31-Mar-18	As at 31-Mar-17
A. Housing Loans: (in %) (out of total advances in that sector)		
(I) Individuals	4.52%	0.58%
(II) Builders/Project Loans	–	–
(III) Corporates	–	–
B. Non - Housing Loans: (in %) (out of total advances in that sector)		
(I) Individuals	–	–
(II) Builders/Project Loans	–	–
(III) Corporates	–	–

L. Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9 February 2017 issued by NHB for movement of NPAs.

Particulars	₹ in lakhs	
	As at 31-Mar-18	As at 31-Mar-17
(I) Net NPAs to Net Advances (%)	3.32%	0.47%
(II) Movement of Gross NPAs		
(a) Opening Balance	2,403	388
(b) Additions during the year*	19,588	2,015
(c) Closing balance	21,991	2,403
	–	–
(III) Movement of Net NPAs		
(a) Opening Balance	1,934	330
(b) Additions during the year*	14,228	1,604
(c) Closing balance	16,162	1,934
	–	–
(III) Movement of provisions for NPAs		
(a) Opening Balance	469	58
(b) Additions during the year*	5,360	411
(c) Closing balance	5,829	469

* The above balances shown net of recovery/write back during the year.

M. Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9 February 2017 issued by NHB for overseas assets.

Particulars	₹ in lakhs	
	As at 31-Mar-18	As at 31-Mar-17
Overseas assets	–	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

N. Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9 February 2017 issued by NHB for customer complaints.

Particulars	(₹ in lakhs)	
	As at 31-Mar-18	As at 31-Mar-17
(a) No. of complaints pending at the beginning of the year	1	–
(b) No. of complaints received during the year	33	37
(c) No. of complaints redressed during the year	33	36
(d) No. of complaints pending at the end of the year	1	1

O. Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9 February 2017 issued by NHB for Exposure to Capital Market.

Particulars	(₹ in lakhs)	
	As at 31-Mar-18	As at 31-Mar-17
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	–	–
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	–	–
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	–	–
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	–	–
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	–	–
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	–	–
(vii) bridge loans to companies against expected equity flows / issues;	–	–
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	–	–
Total Exposure to Capital Market	–	–

P. Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9 February 2017 issued by NHB

Particulars	(₹ in lakhs)	
	As at 31-Mar-18	As at 31-Mar-17
A) Securitisation		
(I) No of SPVs sponsored by the HFC for securitisation transactions	–	–
(II) Total amount if securitised assets as per books of the SPVs sponsored	–	–
(III) Total amount of exposure retained by the HFC towards the MRR as on date of balance sheet		
(a) Off-balance sheet exposure towards credit enhancements	–	–
(b) On balance sheet exposures towards credit enhancements	–	–
(IV) Amount of exposures to securitisation transactions other than MRR		
(a) Off-balance sheet exposure towards credit enhancements		
(i) Exposure to own securitisations	–	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

		(₹ in lakhs)	
Particulars	As at 31-Mar-18	As at 31-Mar-17	
(ii) Exposure to third party securitisations	–	–	
(b) On balance sheet exposures towards credit enhancements			
(i) Exposure to own securitisations	–	–	
(ii) Exposure to third party securitisations	–	–	
		(₹ in lakhs)	
Particulars	As at 31-Mar-18	As at 31-Mar-17	
B) Details of financial assets sold to securitisation / reconstruction company for asset reconstruction.			
(I) No. of accounts	–	–	
(II) Aggregate value (net of provisions) of accounts sold to SC / RC	–	–	
(III) Aggregate consideration	–	–	
(IV) Additional consideration realized in respect of accounts transferred in earlier years	–	–	
(V) Aggregate gain/loss over net book value	–	–	
		(₹ in lakhs)	
Particulars	As at 31-Mar-18	As at 31-Mar-17	
C) Details of assignment transactions undertaken by HFCs.			
(I) No. of accounts	–	–	
(II) Aggregate value (net of provisions) of accounts sold to SC / RC	–	–	
(III) Aggregate consideration	–	–	
(IV) Additional consideration realized in respect of accounts transferred in earlier years	–	–	
(V) Aggregate gain/loss over net book value	–	–	
		(₹ in lakhs)	
Particulars	As at 31-Mar-18	As at 31-Mar-17	
D) Details of non-performing financial assets purchased / sold			
(i) Details of non-performing financial assets purchased:			
(I) No. of accounts purchased during the year	–	–	
(II) Aggregate outstanding	–	–	
(III) Of these, number of accounts restructured during the year	–	–	
(IV) Aggregate outstanding	–	–	
(ii) Details of non-performing financial assets sold:			
(I) No. of accounts sold	–	–	
(II) Aggregate outstanding	–	–	
(III) Aggregate consideration received	–	–	
Q Expenditure in foreign currency			
		(₹ in lakhs)	
Particulars	For the year ended 31-Mar-18	For the year ended 31-Mar-17	
Other borrowing cost - processing fees paid on NCD	–	106	

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

R. Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9 February 2017 issued by NHB for registration obtained from other financial regulators.

Particulars	(₹ in lakhs)	
	As at 31-Mar-18	As at 31-Mar-17
Registration from other financial regulator if any	–	–

S. Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9 February 2017 issued by NHB for unsecured advances.

Particulars	(₹ in lakhs)	
	As at 31-Mar-18	As at 31-Mar-17
Amount of unsecured advances given against rights, licenses, authorisations etc.	–	–

T. Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9 February 2017 issued by NHB for details of financing parent company products.

Particulars	(₹ in lakhs)	
	As at 31-Mar-18	As at 31-Mar-17
Details of financing of parent company products if any	–	–

U. Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9 February 2017 issued by NHB for Concentration of Public Deposits.

Particulars	(₹ in lakhs)	
	As at 31-Mar-18	As at 31-Mar-17
Total Deposits of twenty largest depositors	–	–
Percentage of Deposits of twenty largest depositors to total deposits of the HFC	–	–

V. Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9 February 2017 issued by NHB for Concentration of Loans & Advances.

Particulars	(₹ in lakhs)	
	As at 31-Mar-18	As at 31-Mar-17
Total Loans and Advances to twenty largest borrowers	547	551
Percentage of Loans & Advances to twenty largest borrowers to total advances of the HFC	0.11%	0.13%

W. Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9 February 2017 issued by NHB for Concentration of all Exposure (including off-balance sheet exposure).

Particulars	(₹ in lakhs)	
	As at 31-Mar-18	As at 31-Mar-17
Total Exposure to twenty largest borrowers / customers	549	551
Percentage of exposure to twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers.	0.11%	0.12%

X. Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9 February 2017 issued by NHB for Forward rate agreement / Interest rate swap.

Particulars	(₹ in lakhs)	
	As at 31-Mar-18	As at 31-Mar-17
(I) The notional principal of swap agreements	–	–
(II) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	–	–
(III) Collateral required by the HFC upon entering into swaps	–	–
(IV) Concentration of credit risk arising from the swaps.	–	–
(V) The fair value of the swap book	–	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Y. Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9 February 2017 issued by NHB

Particulars	(₹ in lakhs)	
	As at 31-Mar-18	As at 31-Mar-17
A) For Exchange traded interest rate derivative.		
(I) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument wise)	–	–
(II) Notional principal amount of exchange traded IR derivatives outstanding (Instrument-wise)	–	–
(III) Notional principal amount of exchange traded IR derivatives outstanding and not “highly effective” (instrument-wise)	–	–
(IV) Mark-to-market value of exchange traded IR derivatives outstanding and not “highly effective” (instrument-wise)	–	–
B) For Disclosure on Risk exposure in derivative.		
(I) Derivatives (Notional Principal Amount)	–	–
(II) Marked to Market Positions (1)		
(a) Assets	–	–
(b) Liability	–	–
(III) Credit exposure	–	–
(IV) Unhedged exposure	–	–

Z. Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9 February 2017 issued by NHB for rating assigned by rating agency during the year.

Nature of borrowing	Rating / Outlook	
	ICRA	CRISIL
Short Term		
Commercial paper	[ICRA]A1+	CRISIL A1+
Long Term		
Non-Convertible Debentures	“[ICRA]AA-” with Negative Outlook	CRISIL A+/Stable
Bank Borrowings	“[ICRA]AA-” with Negative Outlook	CRISIL A+/Stable

Note: ICRA has also assigned “[ICRA]AA-” with Negative Outlook rating for the Sub-ordinate Debt Programme (Non-Convertible Debentures) and “PP-MLD [ICRA]AA-” with Negative Outlook rating for the Market Linked Debenture programme.

AA. Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9 February 2017 issued by NHB for break up of loans and advances and provisions thereon.

Particulars	Housing Loans	Non-Housing Loans
As at 31 March 2018		
Standard Asset		
Total outstanding	4,64,304	32
Provisions	1,857	0
Sub-standard assets		
Total outstanding	17,006	–
Provisions	4,057	–
Doubtful assets		
Total outstanding	4,985	–
Provisions	1,771	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Particulars	Housing Loans	Non-Housing Loans
Total		
Total outstanding	4,86,295	32
Provisions	7,686	0
As at 31 March 2017		
Standard Asset		
Total outstanding	4,12,125	9
Provisions	1,648	0
Sub-standard assets		
Total outstanding	1,641	–
Provisions	246	–
Doubtful asset		
Total outstanding	762	–
Provisions	223	–
Total		
Total outstanding	4,14,528	9
Provisions	2,118	0

Note : For above disclosure interest accrued but no due has not been considered.

Note 58 : Related Party Disclosure :

As per Accounting Standard 18 – Related Party Disclosures, specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended), 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) Fellow Subsidiaries

- Nagori Agro and Cattle Feeds Private Limited

C) Enterprises in which Key Managerial Personnel have control

- OSAG Enterprises LLP
- VISU Associates - Partnership firm (Dissolved from 31 March 2017)

D) Enterprises in which Key Management Personnel and their relatives exercises Significant Influence

1. Rishabh Securities Private Limited
2. Textile Exports Private Limited
3. Raamdeo Agarawal (HUF)
4. Motilal Oswal (HUF)
5. Motilal Oswal Foundation (Trust)

E) Key Management Personnel

1. Mr. Motilal Oswal – Chairman and Managing Director
2. Mr. Raamdeo Agarawal – Joint Managing Director

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

F) Relatives of Key Management Personnel/Enterprise in which relatives of Key Management Personnel have significant influence

1. Mrs. Vimla Oswal	–	Spouse of Chairman and Managing Director
2. Vimladevi Salecha	–	Sister of Chairman and Managing Director
3. Rajendra Gopilal Oswal	–	Brother of Chairman and Managing Director
4. Suneeta Agarawal	–	Spouse of Joint Managing Director
5. Dr. Karoon Ramgopal Agarawal	–	Brother of Joint Managing Director
6. Vinay R. Agrawal	–	Brother of Joint Managing Director
7. Sukhdeo Ramgopal Agarawal	–	Brother of Joint Managing Director
8. Govindeo R. Agarawal	–	Brother of Joint Managing Director
9. Satish Agrawal	–	Brother of Joint Managing Director
10. Suman Agrawal	–	Sister of Joint Managing Director
11. Anita Anandmurthy Agrawal	–	Sister of Joint Managing Director

G) Associate Enterprises

–	India Realty Excellence Fund II LLP
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II. Transactions with related parties and outstanding balances:

a) Transactions with related parties:

(₹ in lakhs)									
Particulars	Name of the related party	Holding company / fellow subsidiaries		Key managerial personnel/relative of key managerial personnel		Associate enterprise		Total	
		For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Interest (income)/expense	Passionate Investment Management Private Limited	(7)	–	–	–	–	–	(7)	–
	India realty Excellence Fund II LLP	–	–	–	–	(21)	(83)	(21)	(83)
Total		(7)	–	–	–	(21)	(83)	(27)	(83)
Managerial remuneration	Motilal Oswal	–	–	240	240	–	–	240	240
	Raamdeo Agarawal	–	–	279	276	–	–	279	276
Total		–	–	519	516	–	–	519	516
Rent deposit	Passionate Investment Management Private Limited	–	(0)	–	–	–	–	–	(0)
Total		–	(0)	–	–	–	–	–	(0)
Donation given	Motilal Oswal Foundation (Trust)	–	–	431	211	–	–	94	212
Total		–	–	431	211	–	–	94	212
Rent (received)/paid	Passionate Investment Management Private Limited	(1)	(1)	–	–	–	–	(1)	(1)
	Textile Exports Private Limited	–	–	16	19	–	–	16	19
Total		(1)	(1)	16	19	–	–	15	18
Business support service (received)/paid	Passionate Investment Management Private Limited	(1)	(1)	–	–	–	–	(1)	(1)
	VISU Associates	–	–	–	(1)	–	–	–	(1)
	OSAG Enterprises LLP	–	–	(1)	(1)	–	–	(1)	(1)
Total		(1)	(1)	(1)	(2)	–	–	(2)	(4)
	OSAG Enterprises LLP	–	–	–	(2)	–	–	–	(2)
	Motilal Oswal	–	–	–	(2)	–	–	–	(2)
	Raamdeo Agarawal	–	–	–	(3)	–	–	–	(3)
	Relatives of KMP	–	–	(1)	(0)	–	–	(1)	(0)
Total		–	–	(1)	(7)	–	–	(1)	(7)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

(₹ in lakhs)									
Particulars	Name of the related party	Holding company / fellow subsidiaries		Key managerial personnel/relative of key managerial personnel		Associate enterprise		Total	
		For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Partnership (gain)	India realty Excellence Fund II LLP	-	-	-	-	(813)	(961)	(813)	(961)
(Gain) on sale of investment	India realty Excellence Fund II LLP	-	-	-	-	233	(233)	233	(233)
Loans given / (received)	Passionate Investment Management Private Limited	540	-	-	-	-	-	540	-
	India realty Excellence Fund II LLP	-	-	-	-	-	9,510	-	9,510
Loans repayment (received) / given	Passionate Investment Management Private Limited	(540)	-	-	-	-	-	(540)	-
	India realty Excellence Fund II LLP	-	-	-	-	(3,210)	(6,404)	(3,210)	(6,404)
Dividend paid	Motilal Oswal	-	-	834	303	-	-	834	303
	Raamdeo Agarawal	-	-	807	293	-	-	807	293
	Motilal Oswal-HUF	-	-	0	0	-	-	0	0
	Raamdeo Agarawal (HUF)	-	-	46	16	-	-	46	16
	Suneeta Agarawal	-	-	21	7	-	-	21	7
	Vimla Oswal	-	-	9	3	-	-	9	3
	Rajendra Gopilal Oswal	-	-	4	1	-	-	4	1
	Dr. Karoon Ramgopal Agarawal	-	-	7	3	-	-	7	3
	Vinay R. Agrawal	-	-	7	3	-	-	7	3
	Sukhdeo Ramgopal Agarawal	-	-	6	2	-	-	6	2
	Govinddeo R. Agarawal	-	-	4	1	-	-	4	1
	Suman Agrawal	-	-	7	3	-	-	7	3
	Satish Agrawal	-	-	6	2	-	-	6	2
	Anita Anandmurthy Agrawal	-	-	6	2	-	-	6	2
	Vimladevi Salecha	-	-	1	0	-	-	1	0
	VISU Associates	-	-	-	0	-	-	-	0
	Osag Enterprises LLP	-	-	0	0	-	-	0	0
	Passionate Investment Management Private Limited	5,403	1,920	-	-	-	-	5,403	1,920
Total		5,403	1,920	1,762	639	-	-	7,165	2,559
Portfolio management services fee	Raamdeo Agarawal	-	-	1	0	-	-	1	0
	Vaibhav Agarwal	-	-	13	-	-	-	13	-
	Suneeta Agarawal	-	-	35	16	-	-	35	16
Total		-	-	50	16	-	-	50	16

b) Outstanding balances of related parties:

(₹ in lakhs)									
Particulars	Name of the related party	Holding company / fellow subsidiaries		Key managerial personnel/relative of key managerial personnel		Associate enterprise		Total	
		For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Security deposit	Passionate Investment Management Private Limited	1	1	-	-	-	-	1	1
Loans and advances given / (received)	Passionate Investment Management Private Limited	1	-	-	-	-	-	1	-
	India realty Excellence Fund II LLP	-	-	-	-	-	3,189	-	3,189

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

c) Maximum balance in respect of loan and advances to holding company :

(₹ in lakhs)									
Particulars	Name of the related party	Holding company / fellow subsidiaries		Key managerial personnel/relative of key managerial personnel		Associate enterprise		Total	
		For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Loans and advances (maximum balance)*	Passionate Investment Management Private Limited	290.00	–	–	–	–	–	290	–
	India realty Excellence Fund II LLP	–	–	–	–	3,189	3,205	3,189	3,205
Total Loan Given (Maximum Balance)		290.00	–	–	–	3,189	3,205	3,479	3,205

d) Maximum / outstanding balance in respect of investments in 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 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Investment maximum balance	India realty Excellence Fund II LLP	–	–	–	–	8,823	9,569	8,823	9,569
Total Investment maximum balance		–	–	–	–	8,823	9,569	8,823	9,569
Investment outstanding balance	India realty Excellence Fund II LLP	–	–	–	–	5,863	9,432	5,863	9,432
Total Investment outstanding balance		–	–	–	–	5,863	9,432	5,863	9,432

** Managerial remuneration does not include Provision for Gratuity and Insurance Premiums for medical and life.

*Note : All Loans referred above are repayable on demand

Note 59 : Disclosure relating to Employee Stock Option Scheme

Details of stock options

The Company has sixteen employees stock option schemes

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 22 July 2010 and by the members at the meeting held on 21 July 2010 and is for grant of 20,00,000 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 26 June 2014 for grant of 32,50,000 Equity shares of ₹ 10 each.

*During the previous year ended 31 March 2017, the Company has sub divided ₹.6,50,00,000 equity share of ₹ 10 each into 65,00,00,000 equity share of ₹ 1 each. Hence, the options granted are also sub-divided in the same proportion.

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 11,67,275 options representing 11,67,275 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 25,00,000 options representing 25,00,000 Equity shares of ₹ 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 50,00,000 options representing 50,00,000 Equity shares of ₹ 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 14 and is for issue of 25,00,000 options representing 25,00,000 Equity shares of ₹ 1 each.

Motilal Oswal Financial Services Limited -Employees Stock Option Scheme -VIII (ESOP-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.

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 22 April 2016 and by the members at the meeting held on 29 April 2016 consisting of 8,000 Stock Option of ₹ 10 each and further the Board approved the grant of 7,200 Stock Options of ₹ 10 each to the employees of the Company.

Pursuant to approval of the members at its meeting dated 20 February 2017 for sub-division of face value of equity shares from ₹ 10 to ₹ 1 each, the total number of options allotted and granted also stands sub-divided i.e. total kitty of 80,000 stock option of ₹ 1 each and total grant of 72,000 stock option of ₹ 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 2,71,50,000 options representing 2,71,50,000 Equity shares of ₹ 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 20,50,000 options representing 20,50,000 Equity shares of ₹ 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 3,62,00,000 options representing 3,62,00,000 Equity shares of ₹ 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 ₹ 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 15,50,000 options representing 15,50,000 Equity shares of ₹ 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-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 73,85,000 options representing 73,85,000 Equity shares of ₹ 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 10,50,000 options representing 10,50,000 Equity shares of ₹ 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)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

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 2,93,90,000 options representing 2,93,90,000 Equity shares of ₹ 1 each same was granted by the nomination and remuneration committee through its circular resolution dated 23 June 2017.

The activity in the MOAMC (ESOP-I), MOAMC (ESOP-II), MOFSL (ESOP-III), MOFSL (ESOP-V), MOFSL (ESOP-VI), MOFSL 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 2018 and March 2017 is set below:

Particulars	As at 31-Mar-18 In Numbers	Weighted Average Exercise Price (In ₹)	As at 31-Mar-17 In Numbers	Weighted Average Exercise Price (In ₹)
The MOAMC (ESOP-I) : (Face value of ₹ 10 each)				
Option outstanding at the beginning of the year	1,70,00,000	13.03	17,00,000	1.00
Add: Granted	–	NA	1,65,00,000	13.40
Less: Exercised	5,00,000	1.00	–	NA
Less: Forfeited	–	NA	5,50,000	1.00
Less: Lapsed	–	NA	6,50,000	1.00
Option outstanding end of the year	1,65,00,000	13.40	1,70,00,000	13.03
Exercisable at the end of the year	–	NA	5,00,000	1.00
The MOAMC (ESOP-II) : (Face value of ₹ 10 each)				
Option outstanding at the beginning of the year	3,12,50,000	2.41	2,92,50,000	1.68
Add: Granted	–	NA	20,00,000	13.40
Less: Exercised	–	NA	–	NA
Less: Forfeited	–	NA	–	NA
Less: Lapsed	57,36,376	1.37	–	NA
Option outstanding end of the year	2,55,13,624	2.75	3,12,50,000	2.41
Exercisable at the end of the year	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	–	NA	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	9,94,090	257.74	11,95,925	208.70
Add Granted	–	–	88,075	572.30
Less: Exercised	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	5,56,140	249.03	9,94,090	257.74
Exercisable at the end of the year	32,500	–	1,62,875	–
The MOFSL (ESOP-VI) : (Face value of ₹ 1 each)				
Option outstanding at the beginning of the year	4,26,669	296.97	20,29,350	157.56
Add Granted	–	NA	1,45,150	572.75
Less: Exercised	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	3,53,227	302.33	4,26,669	296.97

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Particulars	As at 31-Mar-18 In Numbers	Weighted Average Exercise Price (In ₹)	As at 31-Mar-17 In Numbers	Weighted Average Exercise Price (In ₹)
Exercisable at the end of the year	90,200		9,792	
The MOFSL (ESOP-VII) : (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	–	NA	7,07,750	569.52
Less: Exercised	1,14,690	441.23	3,10,410	331.00
Less: Lapsed	–	NA	6,40,250	330.58
Option outstanding end of the year	20,74,900	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	–	NA
Add Granted	–	NA	72,000	250.00
Less: Exercised	–	NA	–	NA
Less: Forfeited	–	NA	–	NA
Less: Lapsed	–	NA	–	NA
Option outstanding end of the year	72,000	250.00	72,000	250.00
Exercisable at the end of the year	–		–	
The AHFCL ESOS 2014 (Grant-I) : (Face value of ₹ 1 each)				
Option outstanding at the beginning of the year	2,71,50,000	1.00	2,71,50,000	1.00
Add Granted	–	–	–	–
Less: Exercised	1,59,00,000	1.00	–	–
Less: Lapsed	–	–	–	–
Option outstanding end of the year	1,12,50,000	–	2,71,50,000	1.00
Exercisable at the end of the year	1,50,000		81,45,000	
The AHFCL ESOS (Grant-II) : (Face value of ₹ 1 each)				
Option outstanding at the beginning of the year	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	20,50,000	1.00
Exercisable at the end of the year	3,00,000		6,15,000	
The AHFCL (ESOS 2016) - Grant I : (Face value of ₹ 1 each) *				
Option outstanding at the beginning of the year	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
Exercisable at the end of the year	–		–	
The AHFCL (ESOS 2016) - Grant II : (Face value of ₹ 1 each) *				
Option outstanding at the beginning of the year	10,00,000	–	–	–
Add: Granted	–	1.60	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

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Particulars	As at 31-Mar-18 In Numbers	Weighted Average Exercise Price (In ₹)	As at 31-Mar-17 In Numbers	Weighted Average Exercise Price (In ₹)
Exercisable at the end of the year	–	–	–	–
The AHFCL (ESOS 2016) - Grant III : (Face value of ₹ 1 each) *			–	–
Option outstanding at the beginning of the year	–	–	–	–
Add: Granted	15,50,000	1.60	–	–
Less: Exercised	–	–	–	–
Less: Lapsed	–	–	–	–
Option outstanding end of the year	15,50,000	1.60	–	–
Exercisable at the end of the year	–	–	–	–
The AHFCL (ESOS 2017) - Grant I : (Face value of ₹ 1 each) *				
Option outstanding at the beginning of the year	–	–	–	–
Add: Granted	73,85,000	1.60	–	–
Less: Exercised	–	–	–	–
Less: Lapsed	–	–	–	–
Option outstanding end of the year	73,85,000	1.60	–	–
Exercisable at the end of the year	–	–	–	–
The AHFCL (ESOS 2017) - Grant II : (Face value of ₹ 1 each) *				
Option outstanding at the beginning of the year	–	–	–	–
Add: Granted	10,50,000	5.80	–	–
Less: Exercised	–	–	–	–
Less: Lapsed	–	–	–	–
Option outstanding end of the year	10,50,000	5.80	–	–
Exercisable at the end of the year	–	–	–	–
The AHFCL (ESOS 2017) - Grant H-I : (Face value of ₹ 1 each) *				
Option outstanding at the beginning of the year	–	–	–	–
Add: Granted	2,93,90,000	1.60	–	–
Less: Exercised	–	–	–	–
Less: Lapsed	–	–	–	–
Option outstanding end of the year	2,93,90,000	1.60	–	–
Exercisable at the end of the year	–	–	–	–

* Pursuant to the approval of members in the Extraordinary General Meeting of the Company held on 23 February 2017 the face value of the equity shares of the Company was changed from ₹ 10 each to ₹ 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.

Employees' Stock Options Scheme (ESOP) :

During the year, nil employee stock options have been granted to the employees of the Company and its subsidiary Companies (Previous Year 1,74,40,975 options face value of ₹ 1 each ; 7,200 options face value of ₹ 10 each)

Effective 1 April 2017, the Company 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 ₹ 3,274 lakhs has been debited to the statement of profit and loss for the year ended 31 March 2018. Had the Company continued to use the earlier method of accounting profit before tax would have been higher by ₹ 3,274 lakhs for the year ended 31 March 2018.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

The weighted average share price at the date of exercise for stock options of :

- Motilal Oswal Financial Services Limited exercised during the year was ₹ 300.66 (previous year - ₹ 520.76)
- Motilal Oswal Asset Management Limited exercised during the year was ₹ 13.64 (previous year - Nil)
- Aspire Home Finance Corporation Limited exercised during the year was ₹ 1 (previous year - Nil)

Particulars	MOAMC Scheme I	MOAMC Scheme II	MOFSL Scheme III	MOFSL Scheme V	MOFSL Scheme VI	MOFSL Scheme VII	Scheme I (MOWM)	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 2017 - Grant I	Aspire ESOS 2017 - Grant II	Aspire ESOS 2017 - Grant H-I
Date of Grant	22 July 2010	26 June 2014	Various Dates	Various Dates	Various Dates	Various Dates	22 April 2016	13 April 2015	23 September 2015	27 December 2016	17 February 2017	25 April 2017	23 June 2017	22 January 2018	23 June 2017
Date of Board Approval	21 July 2010	21 July 2011	Various Dates	Various Dates	Various Dates	Various Dates	22 April 2016	11 September 2014	11 September 2014	29 April 2016	29 April 2016	29 April 2016	25 April 2017	25 April 2017	25 April 2017
Date of Shareholder's approval	22 July 2010	21 July 2011	3 February 2006 and 28 April 2006	4 December 2007	08 July 2008	22 August 2014	29 April 2016	16 October 2014	16 October 2014	07 July 2016	07 July 2016	07 July 2016	25 May 2017	25 May 2017	25 May 2017
Number of options granted	1,82,00,000	3,12,50,000	25,23,000	50,88,325	74,10,100	32,17,750	72,000	2,71,50,000	20,50,000	3,62,00,000	10,00,000	15,50,000	73,85,000	10,50,000	2,93,90,000
Method of Settlement	Equity Shares	Equity Shares	Equity Shares	Equity Shares	Equity Shares	Equity Shares	Equity Shares	Equity shares	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	2 Months to 5 Years	1 Year to 5 Years	1 Year to 5 Years	1 Years to 7 Years	Not later than 7 years from the date of grant	30 April 2016 30 April 2017 30 April 2019 *	30 September 2016 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 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
Risk free interest rate	6.97%	7.13%	NA	6.05% - 7.8%	6.05% - 7.8%	6.97% - 7.8%	NA	8.40%	7.72%	6.97%	6.97%	6.79%	6.79%	6.79%	6.79%
Dividend yield	1%	1%	NA	1%	1%	1%	NA	NA	NA	NA	NA	NA	NA	NA	NA
Expected volatility	40%	40%	NA	40%	40%	40%	NA	40%	40%	40%	40%	40%	40%	40%	40%
Weighted Average Remaining Contractual Life															
C.Y. -Granted but not Vested	3.01 Years	8.91 Years	NA	1.51 years	2.19 years	1.96 years	3.43 Years	1.08 year	1.50 years	2.76 years	2.92 years	3.09 years	3.26 years	3.76 years	2.51 years
C.Y. -Vested but not exercised	1.00 Year	1.00 Year	NA	0.00 year	0.50 years	NA	NA	0.92 year	0.50 year	NA	NA	NA	NA	NA	NA
C.Y. -Weighted Average Share Price at the date of exercise for stock options exercised during the year	13.64	NA	NA	₹ 1,086.99	₹ 1,127.32	₹ 1,072.67	NA	₹ 1.00	₹ 1.00	NA	NA	NA	NA	NA	NA
Weighted Average Remaining Contractual Life															
P.Y. -Granted but not Vested	3.50 Years	2.20 Years	NA	2.50 Years	2.72 Years	2.97 Years	4.75 Years	0.66 Years	1.08 Years	3.26 years	3.42 Years	NA	NA	NA	NA
P.Y. -Vested but not exercised	1.00 Years	1.00 Years	NA	0.24 Years	0.25 Years	1 Years	NA	0.08 Years	0.50 Years	NA	NA	NA	NA	NA	NA
P.Y. -Weighted Average Share Price at the date of exercise for stock options exercised during the year	NA	NA	NA	₹.343.19	₹.529.10	₹.636.31	NA	₹ 1.00	₹ 1.00	NA	NA	NA	NA	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				Within a period of 21 days from the date of vesting	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.														

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Particulars	MOAMC Scheme I	MOAMC Scheme II	MOFSL Scheme III	MOFSL Scheme V	MOFSL Scheme VI	MOFSL Scheme VII	Scheme I (MOWM)	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 2017 - Grant I	Aspire ESOS 2017 - Grant II	Aspire ESOS 2017 - Grant H-I
Weighted Average Fair Value of options as on grant date	₹ 49.25 (P.Y. ₹ 10)	₹ 8.42 (P.Y. ₹ 10)	NA	₹ 111.42 (Previous year ₹ 111.42)	₹ 126.91 (Previous year ₹ 126.91)	₹ 165.99 (Previous year ₹ 165.99)	2,577.90	₹ 0.39	₹ 0.36	₹ 0.68	₹ 0.71	₹ 0.75	₹ 0.76	₹ 0.44	₹ 0.70

** The exercise period of the Grant I and 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.

Exercise Pricing Formula

MOAMC 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.

MOAMC 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.

MOFSL Scheme III

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.

MOFSL 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.

MOFSL 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.

MOFSL 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.

MOWML ESOS-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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

The exercise pricing formula for AHFCL ESOS 2014, AHFCL ESOS 2016 and AHFCL ESOS 2017 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	(₹ in lakhs)	
	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Expense arising from employee share based payment plans	3,274	67
Total carrying amount at the end of the period of ESOS Reserve	2,723	67

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd..)*

Note 60 : Financial highlights of subsidiary for year ended 31 March 2018

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	9
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 Capital Markets Limited (MOCML)	Motilal Oswal Asset Management Company Limited (MOAMC)	Motilal Oswal Trustee Company Limited (MOTC)	Motilal Oswal Capital Limited (MOCL)	Motilal Oswal Wealth Management Limited (MOWML)
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***	29/09/2008
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	NA
6	Share capital	100	6	41	300	35	6,505	10	10	8
7	Reserves and surplus	10,193	3,229	2,119	(177)	322	20,529	16	2	6,591
8	Total assets	12,073	6,490	37,752	256	365	43,606	26	26	8,761
9	Total Liabilities	1,780	3,255	35,592	133	8	16,572	0	14	2,162
10	Investments	11,305	2,941	500	–	325	19,893	20	–	6,224
11	Turnover	11,350	9,975	1,998	14	46	66,835	7	20	10,585
12	Profit before taxation	8,447	6,352	490	(75)	31	19,079	0	5	4,090
13	Provision for taxation	2,412	1,242	111	(0)	9	5,932	0	1	992
14	Profit after taxation	6,035	5,110	379	(75)	22	13,147	0	4	3,098
15	Proposed dividend	–	–	–	–	–	–	–	–	–
16	% of shareholding	100	85	100	100	100	99.92	100	99.92	100

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(Contd.)*

(₹ in lakhs)									
1	Sl. No.	10	11	12	13	14	15	16	17
2	Name of the subsidiary	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	27/06/2011	30/09/2011	30/09/2011	1/10/2013	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	1HKD = ₹ 8.2746	1 SGD = ₹ 49.5122	NA	NA	NA	1 USD = ₹ 64.948	1 USD = ₹ 64.948
6	Share capital	457	412	1,041	52,066	100	246	165	18
7	Reserves and surplus	(13)	(302)	138	27,857	(86)	376	(55)	1,020
8	Total assets	520	175	1,255	508,283	14	1,499	133	1,829
9	Total liabilities	76	65	76	428,361	0	877	22	790
10	Investments	–	–	–	–	1	0	0	0
11	Turnover	221	175	244	66,246	0	2,110	207	8,687
12	Profit before taxation	29	34	32	4,857	(11)	725	52	5,418
13	Provision for taxation	8	–	1	1,709	0	201	2	23
14	Profit after taxation	21	34	31	3,148	(11)	524	50	5,395
15	Proposed dividend	–	–	–	–	–	–	–	–
16	% of shareholding	100	100	100	96.59	85	76.5	99.92	85

* through MOPE; ** through MORE; *** through MOAMC

Notes:-

- There are no subsidiaries which are yet to commence the operation during the year under review.
- There are no subsidiaries which were liquidated or sold off during the year under review.
- Share application money is not included in total liability as well as share capital.
- Turnover includes other income.
- Percentage of shareholding is effective shareholding.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT *(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	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
		Number	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.

Note No. 61

Previous year figures have been regrouped/rearranged where necessary to make them comparable.

As per our attached Report of even Date

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

Sudhir N. Pillai
Partner
Membership Number: 105782

Place : Mumbai
Date : 21st August, 2018

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 : 21st August, 2018

Raamdeo Agarawal
Joint Managing Director
DIN : 00024533

Kailash Purohit
Company Secretary



Motilal Oswal Financial Services Limited

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

CIN: L67190MH2005PLC153397

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