

KNOWLEDGE IS GROWTH

ANNUAL REPORT 2014 - 2015

 **MOTILAL OSWAL**
Financial Services

KNOWLEDGE IS GROWTH

The past year has been an exciting one for India and for Motilal Oswal Financial Services Ltd (MOFSL). For India, it was a milestone year on the socio-political and economic front with the Indian economy showing signs of turnaround with inflation being tamed, correction of twin deficits (fiscal and trade) and favorable global macros.

For the capital markets its been a stellar year with the indices reaching new highs. And for MOFSL, it's been a year of growth unleashed. One where the investments and efforts made to hone and enhance our knowledge edge across our businesses have heaped rich dividends. It is this knowledge capital that has helped us grow by leaps and bounds and make the most of the unfolding India opportunity.

They say the more you know, the more you grow. It is this philosophy that drives us to continuously increase our knowledge cache and help create wealth for our customers, business partners, employees and shareholders.

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CHAIRMAN'S MESSAGE

Dear Shareholders,

FY2015 was a landmark year for us. The decisive mandate seen in the elections spurred retail and institutional investor interest. India ended the fiscal year as one of the best performing markets. Bulk of the returns came in the first quarter around the election period, while the subsequent quarters saw returns taper. Nevertheless, it outperformed most major markets on both the 1-Year and 10-Year basis.

Cash volumes in the market were ₹ 213.35 bn, up significantly as compared to the levels clocked during the last three years. It was only ~6% lower than its all-time high of FY2010. Within this, cash delivery volumes reached its all-time high in FY2015, as compared to the last 8 years.

The traction in cash market volumes were led by a 73% YoY growth in retail and a 50% YoY growth in institution. The return of retail investors was the talking point this year, both through direct equities and through equity funds. While institution cash volumes were ~35% higher than its previous peak of FY2008, retail cash volumes still remain ~17% lower than its previous peak of FY2010. Equity funds saw net inflows in FY2015 after 9 successive quarters of net outflows. FIIs also continued to repose their faith in Indian equities.

Global commodity prices softened in FY2015, which gave an unexpected relief to inflation. Jan and Feb 2015 saw interest rate cuts. If inflation remains at low levels, then it may result in further cuts which would help revive the investment cycle. Corporate earnings are yet to see a sustained uptick, which remains a concern. As the effect of lower commodity prices and rate cuts translates into lower input costs, it should lead to an improvement in operating leverage and profitability. MAT has also been a concern area for investors, as have been the outlook for monsoon. As the government's reforms gathers steam, it would give more clarity to the business community to commit large investments. That should bode well for primary market activity, and could become an ideal entry point for further new investors into the markets.

Our consolidated revenues were ₹7.75 bn in FY2015, up 65.65% YoY. Broking-related income was up 69.18% to ₹4.86 bn. Our advisory-driven services captured an incremental share of the high-yield cash volumes in the markets. We also invested into expanding our derivatives practice. The monthly run-rate of retail client addition was strong. Our new technology platforms saw good feedback from clients, and the online business gained traction. In institutional broking, analyst and corporate roadshows picked up. For the 4th year in a row, we were awarded the Best Performing National Financial Advisor – Equity Broker at the UTI-CNBC TV18 Financial Advisor Awards. It vouches the quality of our broking and advisory services. Our wealth business saw traction in asset mobilization. It is also seeing the positive impact of operational



improvements and synergies. Asset management fees were up 67.60% to ₹1.27 bn. AUM across our own mutual funds, PMS and private equity business more than doubled to ₹82.56 bn this year, on the back of strong investment performance and traction in mobilization. We had partnered with several large distributors in recent quarters, and they showed results this year. Our focused investment philosophy of QGLP (Quality, Growth, Longevity and Price) helped us pick quality stocks which performed well relative to the market.

Fund based income was up 45.60% to ₹1.36 bn. In line with our new strategy to grow Return on Equity sustainably to 20%+, we made strategic allocation of capital to long-term RoE enhancing opportunities like housing finance and sponsor commitments to our mutual fund/private equity funds. Our new housing finance entity – Aspire, is expanding as per plan. As of March 2015, it disbursed ₹3.59 bn to 3,500+ families. The loan against shares business, earlier done from equity capital, is now being run as a spread business with a healthy mix of short term and long term borrowings. Our investments in our mutual fund products stood at ₹5.51 bn, with unrealized gain of ₹1.62 bn (which is not reflected in the P/L account for FY2015). Our investments in our alternative investment products stood at ₹1.30 bn. Investment banking fees were up 186.17% to ₹193.23 mn. Our deal pipeline remains healthy with transaction execution at various stages of completion. The ECM team is now in place and is working with various corporates and banks to assist in capital raising and structuring.

Our Reported PAT was up 263.54% to ₹1.44 bn. The ROE was 11.65% for FY2015. However, this does not include the unrealized gains on investments in our mutual fund products of ₹1.62 bn. If this were to be included, the ROE would be approximately 25%, which is in line with the long-term goal of 20%+ ROE.

Backed by renewed investor interest and positive market outlook, our businesses showed significant traction across asset mobilization, market share and revenue in FY2015. We had invested relentlessly into our operations, manpower, technology and distribution channels during recent quarters, and these initiatives showed positive results in FY2015. We gained market share in the high-yield cash segment and in equity mutual fund flows, which are proof that our efforts were in the right direction. We believe these efforts should help us capture an incremental share from emerging opportunities as the market activity gains further momentum.

I would like to express my gratitude to our passionate, committed and hard working employees for their immense contribution towards the company's growth. I am also grateful to our Board of Directors for their guidance and to all our stakeholders who have reposed their trust in us and given us their constant support.

With best wishes,
Sincerely,



CHAIRMAN, MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER, MOFSL

BOARD OF DIRECTORS

MR. MOTILAL OSWAL

Chairman, Managing Director & Chief Executive Officer

MR. RAAMDEO AGARAWAL

Joint Managing Director

MR. NAVIN AGARWAL

Non Executive & Non Independent Director

MR. BALKUMAR AGARWAL

Independent Director

MR. VIVEK PARANJPE

Independent Director

MR. PRAVEEN TRIPATHI

Independent Director

MS. SHARDA AGARWAL

Independent Woman Director

MR. SAMEER KAMATH

Chief Financial Officer

MR. SAMRAT SANYAL

Company Secretary and Compliance Officer
(Up to 06th April, 2015)

Bankers

- HDFC Bank • ICICI Bank • Indusind Bank
- Axis Bank • Yes Bank • Kotak Mahindra Bank
- Citibank N.A. • IDBI Bank

Auditors

M/s Haribhakti & Co. LLP, Chartered Accountants

Registrar and Share Transfer Agent

Link Intime India Private Limited

C - 13, Pannalal Silk Mills Compound, LBS Marg,
Bhandup (West), Mumbai – 400 078.

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

Registered Office

Motilal Oswal Tower,

Rahimtullah Sayani Road,

Opposite Parel ST Depot, Prabhadevi,
Mumbai – 400025

E-mail: shareholders@motilaloswal.com

CIN: L67190MH2005PLC153397

KEY PEOPLE



MOTILAL OSWAL
CHAIRMAN, MANAGING
DIRECTOR & CHIEF EXECUTIVE
OFFICER, MOFSL



RAAMDEO AGARWAL
JOINT MANAGING DIRECTOR,
MOFSL



NAVIN AGARWAL
DIRECTOR, MOFSL



VIVEK PARANJPE
INDEPENDENT DIRECTOR
MOFSL



PRAVEEN TRIPATHI
INDEPENDENT DIRECTOR
MOFSL



SHARDA AGARWAL
INDEPENDENT
WOMAN DIRECTOR, MOFSL



BALKUMAR AGARWAL
INDEPENDENT DIRECTOR
MOFSL



VIJAY KUMAR GOEL
CEO, BROKING & DISTRIBUTION
BUSINESS & PRIVATE WEALTH
MANAGEMENT BUSINESS



RAJAT RAJGARHIA
CEO,
INSTITUTIONAL EQUITIES BUSINESS



VISHAL TULSYAN
CEO,
PRIVATE EQUITY BUSINESS



AASHISH SOMAIYAA
MANAGING DIRECTOR & CEO,
ASSET MANAGEMENT BUSINESS



ANIL SACHIDANAND
MANAGING DIRECTOR & CEO,
HOME FINANCE BUSINESS



ASHUTOSH MAHESHWARI
CEO, INVESTMENT
BANKING BUSINESS



GIRISH NADKARNI
HEAD, ECM & PE,
INVESTMENT BANKING BUSINESS



AJAY KUMAR MENON
CHIEF OPERATING OFFICER &
WHOLE TIME DIRECTOR, MOSL



SAMEER KAMATH
GROUP CHIEF FINANCIAL
OFFICER



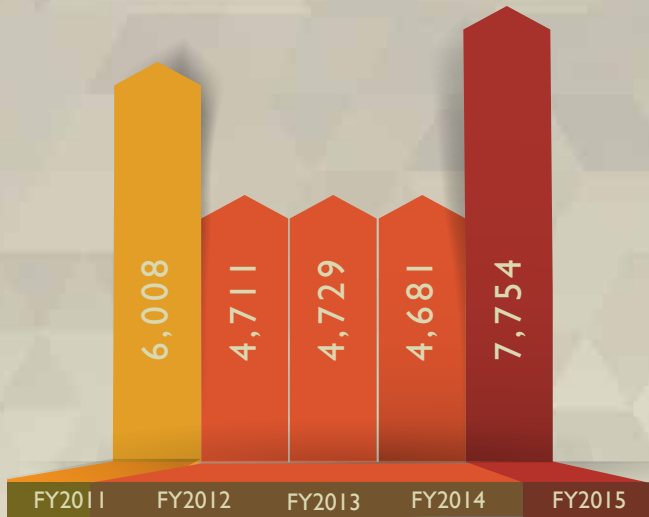
RAMNIK CHHABRA
HEAD, MARKETING



SUDHIR DHAR
HEAD, HR & ADMINISTRATION

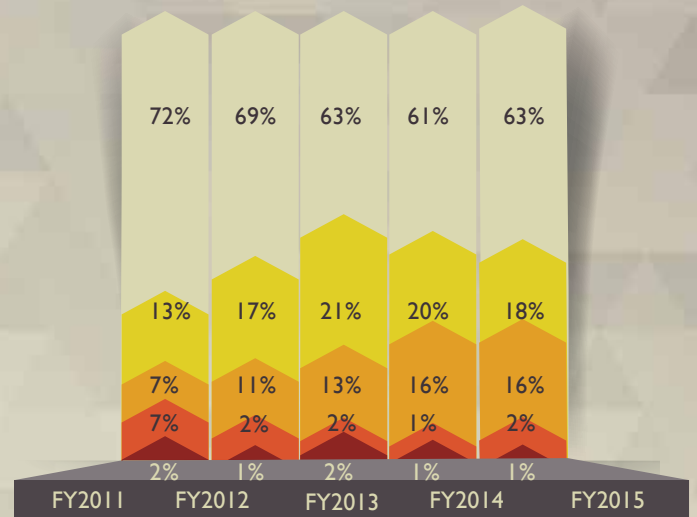
PERFORMANCE AT A GLANCE

Consolidated Revenues (₹ Million)



*Prior figures have been regrouped wherever necessary

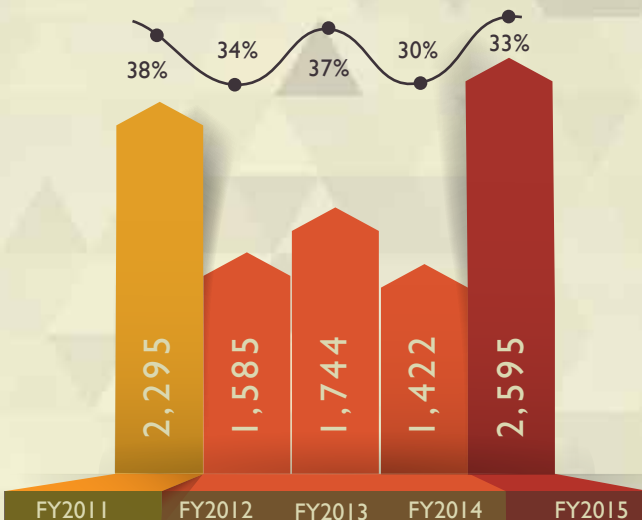
Revenue Composition%



- Broking & operating income
- Funds based business
- Asset management fees
- Investment banking fees
- Others

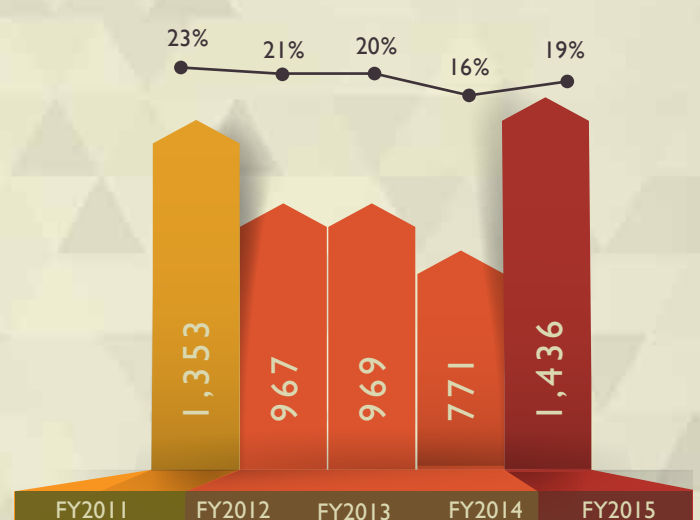
*Prior figures have been regrouped wherever necessary
*Figures may not always sum to 100% due to rounding

EBITDA (Rs Million); Margin %

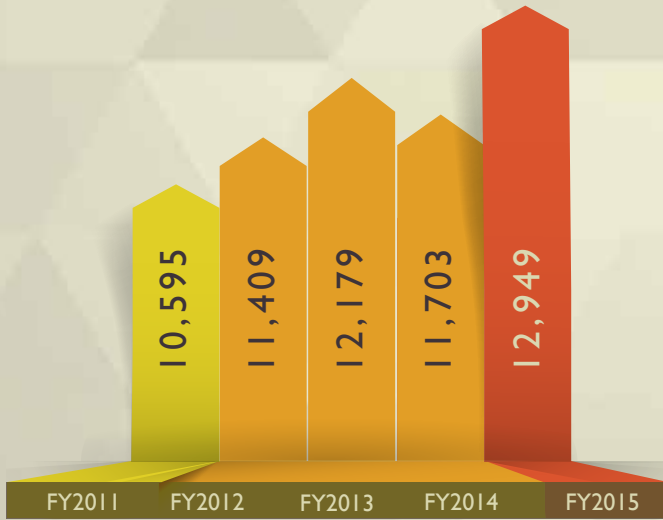


*Prior figures have been regrouped wherever necessary

Adjusted PAT (₹ Million); Margin %



Net Worth (₹ Million)



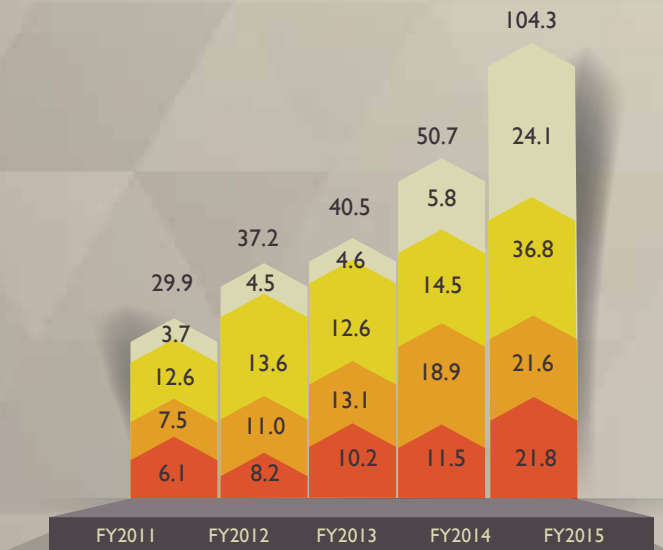
Increasing Dividends (DPS#, % Payout*)



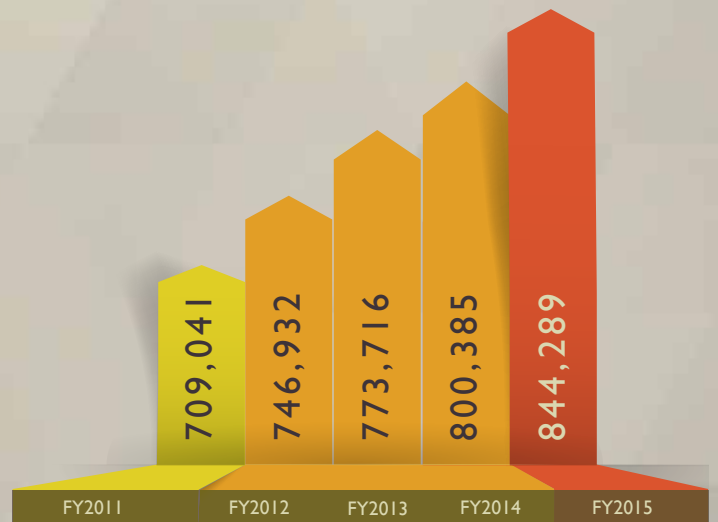
For FY2015; ₹2 is paid as interim dividend + ₹1 is proposed dividend

* Payout is calculated on Adjusted PAT for the respective years

Assets under Management/
Advice/Distribution (₹ Billion)



Total number of Registered Clients



Mutual Funds
 PMS
 Private Equity
 3rd Party MF Distribution

5 YEAR PERFORMANCE HIGHLIGHTS

₹ in Millions

STANDALONE FINANCIAL PERFORMANCE OF MOTILAL OSWAL FINANCIAL SERVICES LIMITED

Year Ended March 31	2015	2014	2013	2012	2011
Total Income	1,292.03	977.36	949.04	819.48	643.41
Total Expenditure	638.83	515.39	331.23	134.14	78.03
Profit before Exceptional Item and Tax	653.20	461.97	617.81	685.34	565.38
Exceptional Item	0.00	12.95	163.80	23.14	0.00
Profit Before Tax	653.20	449.02	454.01	662.20	565.38
Tax Expenses	48.30	55.94	66.53	99.24	138.79
Net Profit	604.90	393.08	387.48	562.96	426.60
Paid up Equity Capital	140.16	138.17	145.24	145.12	144.42
Net Worth	5,747.80	5,241.32	5,681.34	5,584.44	5,125.75
Book Value Per Share	41.01	37.93	39.12	38.48	35.49
Basic EPS	4.36	2.79	2.67	3.89	2.96
Diluted EPS	4.25	2.79	2.67	3.89	2.96

₹ in Millions

CONSOLIDATED FINANCIAL PERFORMANCE OF MOTILAL OSWAL FINANCIAL SERVICES LIMITED

Year Ended March 31	2015	2014	2013	2012	2011
Total Income	7,754.27	4,681.17	4,728.77	4,711.37	6,007.57
Total Expenditure	5,775.20	3,530.55	3,291.36	3,291.93	3,900.51
Profit before Exceptional Item and Tax	1,979.08	1,150.61	1,437.41	1,419.44	2,107.06
Exceptional Item Income/(Expenses)	0.00	(555.86)	180.77	106.73	0.00
Profit Before Tax	1,979.08	594.75	1,618.18	1,526.17	2,107.06
Tax Expenses	523.28	179.24	518.37	484.44	712.01
Profit after Tax before Minority Interests	1,455.80	415.51	1,099.81	1,041.73	1,395.05
Minority Interests Profit	19.80	20.51	8.95	2.86	24.44
Profit after Tax & Minority Interests	1,436.00	395.01	1,090.86	1,038.86	1,370.60
Paid up Equity Capital	140.16	138.17	145.24	145.12	144.42
Net Worth	12,948.51	11,702.93	12,178.62	11,409.31	10,595.08
Book Value Per Share	92.38	84.70	83.85	78.62	73.36
Basic EPS	10.48	2.95	7.57	7.17	9.52
Diluted EPS	10.24	2.95	7.57	7.17	9.52

Broking & Distribution

- ▶ Distribution reach of 1,743 business locations across 520 cities; Added to our footprint across both branches and franchisees
- ▶ More than 740,000 retail broking and distribution clients; Strong monthly run-rate seen in retail client base in FY2015
- ▶ Depository assets at ₹ 227.08 bn
- ▶ Launched STIR (School of Trading and Investing Research), to train retail and HNI clients in trading and investing
- ▶ Best Performing National Financial Advisor – Equity Broker at the UTI-CNBC TV18 Financial Advisor Awards for the 4th year in a row

Institutional Equities

- ▶ Empanelled with over 580 institutional clients
- ▶ Research covers about 230 companies across 20 sectors; and an entire spectrum across India Strategy, Thematic, Sector and Company reports
- ▶ Conducted the 10th Annual Global Investor Conference, where over 110 companies interacted with over 700 global investors
- ▶ Registered in Hong Kong (Type 4 license), Singapore (Exempt Financial Advisor) and USA (Broker-Dealer license) to cater to advisory business opportunities for Indian equities for clients in those geographies

Asset Management

- ▶ PMS AUM up almost 2.5x on a YoY basis, from ₹ 14.49 bn to ₹ 36.83 bn
- ▶ Mutual fund AUM up almost 4x on a YoY basis, from ₹ 5.82 bn to ₹ 24.15 bn
- ▶ Launched two open-end funds - Focused Multicap 35 fund and the Long Term ELSS fund
- ▶ Motilal Oswal Asset Management (Mauritius) Pvt. Ltd. incorporated in Mauritius, to manage the India Zen Fund
- ▶ Complied with SEBI's minimum net worth requirement of ₹ 500.00 mn, within a month of their notification
- ▶ MOFSL group's commitments to our mutual fund products stood at ₹ 5.51 bn, with unrealized gain of ₹ 1.62 bn (which is not reflected in the Profit and Loss account for FY2015)

Private Equity

- ▶ India Business Excellence Fund is a growth capital fund with AUM of US\$ 125.00 mn, fully committed across 13 companies. It has returned approximately 60.00% of capital to its investors
- ▶ India Realty Excellence Fund is a domestic real estate fund with AuA at ₹ 2.00 bn, fully committed across 7 deals. It has returned approximately 78.50% of capital to its investors
- ▶ The 2nd growth capital PE fund, India Business Excellence Fund-II, has raised commitments of ~₹ 9.54 bn from investors in India and overseas. This fund has made 6 investments so far
- ▶ The 2nd real estate fund – India Realty Excellence Fund II has raised commitments of ~₹ 4.54 bn. This fund has made 4 investments so far
- ▶ MOFSL group's commitments to our alternative investment products stood at ₹ 1.30 bn

Investment Banking

- ▶ ECM team now in place to tap opportunities in the equity capital markets space
- ▶ Notable transactions included the QIP for Yes Bank and divestiture of stake in NCDEX

Wealth Management

- ▶ AUM of ~₹ 41.02 bn, and 40 Relationship Managers
- ▶ The business turned significantly profitable this year

Housing Finance

- ▶ Aspire Home Finance Corporation Limited recorded cumulative disbursements of ₹ 3.59 bn to 3,565 Indian families so far
- ▶ Loan book comprises of pure retail housing loans with an average ticket size is ₹ 1.01 mn
- ▶ Present across 14 locations in Maharashtra, Madhya Pradesh, Gujarat and Telangana
- ▶ Received "CRISIL A+/ Stable" rating for bank loan facilities and non-convertible debentures; and "ICRA A1+" rating for short-term borrowings/commercial papers

*All data as of 31st March, 2015

Financial Statements

To the Members,

Your Directors have pleasure in presenting their 10th Report together with the audited Financial Statements of your Company for the year ended 31st March, 2015.

Financial Highlights

The Financial Highlights for the year is as under:

Motilal Oswal Financial Services Limited (Standalone)

Particulars	₹ in millions	
	Year ended 31st March, 2015	Year ended 31st March, 2014
Revenue	1,292.03	977.36
Profit before Finance Cost, Taxation and exceptional items	948.99	652.07
Finance Cost	(295.78)	(190.09)
Profit before Taxation and exceptional items	653.20	461.97
Add / (Less): Exceptional Items	0.00	(12.95)
Profit before taxation	653.20	449.02
Add / (Less) : Provision for Taxation		
Current Tax	43.53	53.97
Deferred Tax	23.41	(3.27)
Minimum Alternate Tax	(23.87)	–
Tax for earlier year(s)	5.23	5.24
Profit after Taxation, before extraordinary items for the year	604.90	393.08
Balance brought forward from previous year	602.73	600.03
Profit available for appropriation	1,207.63	993.11
Less: Appropriations		
Transfer to Statutory Reserve	(120.98)	(78.62)
Proposed dividend / Interim Dividend	(419.06)	(273.20)
Dividend Distribution Tax	(5.50)	(0.05)
Transfer to General Reserve	(30.25)	(31.45)
Transfer to CRR	–	(7.07)
Prior year Dividend, Dividend distribution and other adjustments	(0.58)	–
Balance of Profit carried forward	631.26	602.73

Summary of Consolidated Financial results of the Company and its subsidiaries for the year is as under:

Motilal Oswal Financial Services Limited (Consolidated)

Particulars	₹ in millions	
	Year ended 31st March, 2015	Year ended 31st March, 2014
Revenue	7,754.27	4,681.17
Profit before Interest, Depreciation, Taxation and exceptional items	2,595.20	1,421.87
Interest	309.41	28.61
Depreciation	306.71	242.65
Profit before Taxation and exceptional items	1,979.08	1,150.61

Particulars	₹ in millions	
	Year ended 31st March, 2015	Year ended 31st March, 2014
Add: Exceptional Items		(555.86)
Add: Prior Period	—	—
Profit before taxation	1,979.08	594.75
Less : Provision for Taxation		
Current Tax	559.44	235.94
Deferred Tax	12.27	(62.41)
Minimum Alternate Tax	(31.34)	(0.89)
Tax for earlier year(s)	(17.09)	6.60
Tax Expenses	523.28	179.24
Profit after Taxation, before minority Interest	1,455.80	415.51
Minority interest in profits	(19.80)	(20.51)
Profit after Taxation and minority Interest	1,436.00	395.01
Balance brought forward from previous year	6,103.65	6,163.65
Profit Available for appropriation	1,436.01	395.01
Less: Appropriations		
Transfer to Statutory Reserve	(120.98)	(78.62)
Proposed dividend / Interim Dividend	(419.06)	(273.32)
Dividend Distribution Tax	(81.22)	(47.47)
Transfer to General Reserve	(84.31)	(48.52)
Prior Year dividend, dividend distribution and other adjustments	(18.10)	(7.07)
Balance of Profit carried forward	6,815.98	6,103.65

State of Company's Affairs

Standalone Results

During the year under review, the standalone revenues for the year were ₹ 1.29 bn, a growth of 32.20% as compared to ₹ 977.36 mn last year. Within fund based income, the interest income declined by 2.95% to ₹ 657.44 mn. Dividend income from subsidiary companies was ₹ 415.44 mn, as compared to ₹ 279.46 mn in the previous year. This year also included profit of ~ ₹ 94 mn earned on partial exits in few investments of the Private Equity Fund in which MOFSL made sponsor commitments. Rent income was ₹ 81.90 mn in FY2015, up 128.46%. Other operating income was ₹ 3.35 mn in FY2015, while other income was ₹ 4.89 mn.

Total expenses (before depreciation, interest and exceptional) increased during the year, from ₹ 242.08 mn a year back to ₹ 261.38 mn this year. Profit before depreciation, interest, exceptional item and taxation (EBITDA) increased by 40.17% this year, from ₹ 735.28 mn to ₹ 1.03 bn. Interest and finance charges increased from ₹ 190.09 mn to ₹ 295.78 mn, on account of higher borrowings in line with the long-term strategy to run the NBFC lending book as a spread business with borrowed funds.

Reported net profit increased by 53.89% to ₹ 604.90 mn.

MOFSL Standalone's commitments to our own mutual fund products stood at ₹ 2.33 bn, as of 31st March, 2015. The unrealized gain on these investments is ₹ 0.61 bn as of 31st March, 2015. The same is not reflected in the profit and loss account for the year.

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

There is no change in the nature of business of the Company for the year under review.

Consolidated Results

The consolidated revenues for the year were ₹ 7.75 bn for the year under review, an increase of 65.65% as compared to the previous year.

- Broking revenues increased by 69.18% to ₹ 4.86 bn, as market activity picked up, especially in the high-yield cash segment. Average daily volumes in the equity markets reached ₹ 3.34 tn in FY2015, up 65.16% from last year. Cash market volumes grew 60.81% to ₹ 213.35 bn, which is only ~6% lower than its all-time high of FY2010. Within this, cash delivery was up 62.87% YoY to ₹ 65.09 bn, and it reached its all-time high since the last 8 years. Amongst cash market participants, the uptick was led by a 72.81% YoY growth in retail and a 50.04% YoY growth in institution. However, retail cash volumes still remain ~17% lower than its previous peak of FY2010, while institution cash volumes were ~35% higher this year than its past peak of FY2008. Our overall equity market share decreased marginally from 1.56% to 1.51% on a YoY basis due to the continued disproportionate rise of options within the market mix. Nevertheless, we succeeded in capturing a larger chunk of the incremental volumes that flowed into the markets this year, which helped increase our market share in the high-yield cash segment. As of 31st March, 2015, total client base has increased to 844,289, which includes 740,227 retail and distribution clients. Our Pan-India distribution reach stood at 1,743 business locations across 520 cities.
- Asset management fees also saw significant traction, increasing 67.60% to ₹ 1.27 bn as compared to last year. Total assets under management / advice across mutual funds, PMS and private equity businesses was ₹ 82.56 bn. Within this, the mutual fund AUM was ₹ 24.15 bn, private equity AUA was ₹ 21.58 bn and PMS AUM was ₹ 36.83 bn. The company saw increased mobilization into its open-end equity mutual fund products as well as its PMS products. In the private equity business, the 2nd real estate fund - India Realty Excellence Fund II raised commitments of ₹ 4.54 bn as of 31st March, 2015.
- Investment banking fee at ₹ 193.23 mn saw a 186.17% growth over the previous year, as the speed of transaction closures gathered speed this year. The buoyancy in the capital markets in FY2015 resulted in a number of listed companies considering equity capital raising. Our team is working with various corporates and banks to assist in capital raising and structuring to support the outlook.
- Fund based income increased by 45.60% to ₹ 1.36 bn as the housing finance business gained traction this year. In line with the long term strategy to grow Return on Equity (RoE) sustainably, MOFSL has made strategic allocation of capital to long term RoE enhancing opportunities like Aspire Home Finance and sponsor commitments to existing mutual fund and private equity funds of MOFSL group. Aspire Housing Finance received its Certificate of Registration from NHB to commence the business during the year. Fund based income in FY2015 also included profit earned on partial exits in few investments of the Private Equity Fund in which MOFSL made sponsor commitments.
- Other income increased by 45.69% to ₹ 70.97 mn as compared to last year.

Total expenses (before interest and depreciation) for the year at ₹ 5.16 bn registered a 58.29% jump over last year. People cost increased by 49.10% to ₹ 1.90 bn. This was largely owing to an increase in hiring in the retail broking & distribution, housing finance and institution broking businesses. Brokerage shared with intermediaries increased by 85.05% to ₹ 1.95 bn in line with the growth in retail brokerage commissions. Other costs were ₹ 1.31 bn, an increase of 40.59% over last year. This was largely due to higher brand and marketing expenses, as well as legal and travelling expenses. The profit before depreciation, interest, exceptional items and taxation (EBITDA) increased by 82.52% to ₹ 2.60 bn. Higher revenues during the year resulted in margin improvement during the year, and the EBITDA margin increased from 30.37% to 33.47%.

In line with the ROE strategy, the NBFC lending business of loan against shares would now being run as a spread business with a healthy mix of short term and long term borrowings, rather than from equity capital as was the case earlier. MOFSL has raised long-term NCDs of ₹ 1.50 bn at annualized cost of 10.05% (payable annually). The total borrowings in MOFSL (ex Aspire) stood at ₹ 6.13 bn as of 31st March, 2015. This has resulted in incremental interest cost (ex Aspire) of approx. ₹ 222.88 mn as compared to the previous year.

Reported net profit for the year after minority interest stood at ₹ 1.44 bn, an increase of 263.54%. In the previous year FY2014, the company has written off/provided for amounts of ₹ 555.86 mn (pre-tax) in respect of its exposure to NSEL, which had not been able to adhere to its payment obligations. This was disclosed under "Exceptional Items" in the previous year.

MOFSL group's commitments to our own mutual fund products stood at ₹ 5.51 bn, as of 31st March, 2015. The unrealized gain on these investments is ₹ 1.62 bn as of 31st March, 2015. The same is not reflected in the profit and loss account for the year. MOFSL group's commitments to our alternative investment products stood at ₹ 1.30 bn, as of 31st March, 2015.

Future Outlook

India was one of the best performing markets in the year FY2015, as investor sentiments improved and activity levels increased following the Election results. The year marked the return of the retail investors, both through direct equities and through equity mutual funds. Cash market volumes, including delivery, increased significantly this year. However, primary market activity is yet to pick up in a big way. As the reforms gain speed, the corporate capex cycle should also gather momentum. The resultant uptick in primary market activity should provide an entry point for more new investors, helping deepen participation further. Some challenges persist. Corporate earnings are yet to see a sustained uptick. Foreign investors' have been quite concerned over MAT. An irregular monsoon can impact food inflation yet again. Our businesses showed significant traction across asset mobilization, market share and revenue. We had invested into operations, manpower, technology and distribution channels. These initiatives are now showing results, and helped us capture an increasing proportion of the incremental business flows. As activity levels in the market increases further, we are well poised to benefit from the opportunities.

Credit Rating

During the year, Crisil Limited reaffirmed the Credit Rating of "CRISIL A1+" to the Commercial Programme of ₹ 4.00 bn of the Company. ICRA Limited assigned the credit rating of "[ICRA] AA" Rating with a stable outlook to the NCD Programme of ₹ 1.50 bn of the company. Crisil Limited also reaffirmed the Credit Rating of "CRISIL A1+" to the Commercial Programme of ₹ 3.00 bn of Motilal Oswal Securities Limited, a subsidiary of the Company. The ratings indicate a very strong degree of safety regarding timely servicing of financial obligations.

Updates on Reserve Bank of India Guidelines

During the year, the Reserve Bank of India on 21st August, 2014 had issued a circular on Lending against shares necessitating to maintain Loan to Value (LTV) ratio of 50% and accept only Group 1 securities as collateral for loans of value more than ₹ 5 Lakh. Also RBI had issued a framework on Revised Regulatory framework for Non Banking Financial Companies which was notified by RBI on 27th March, 2015.

As per the notification, the Company shall make provision for standard assets at 0.25 percent by the end of March, 2015, 0.30 percent by the end of March, 2016, 0.35 percent by the end of March, 2017 and 0.40 percent by the end of March 2018 and thereafter, of the outstanding Loans. An asset is classified as Non Performing Asset (NPA) when it has remained overdue for a period of six months or more for loans. As per the new notification, period of six months, as applicable now, has been replaced by three months. As per this notification, Sub-standard asset means an assets which has been classified as NPA for a period not exceeding 18 months for the financial year ending March 31, 2015, not exceeding 16 months for the financial year ending March 31, 2016 and not exceeding 14 months for the financial year ending March 31, 2017 and not exceeding 12 months for the financial year ending March 31, 2018 and thereafter. Further definition of Doubtful assets has been changed which now means an asset which has remained sub-standard for a period 'exceeding 18 months' for the financial year ended March 31, 2015; 'exceeding 16 months' for the financial year ended March 31, 2016; 'exceeding 14 months' for the financial year ending March 31, 2017 and 'exceeding 12 months' for the financial year ending March 31, 2018 and thereafter.

Dividend and Reserves

The Company at the Meeting of its Board of Directors held on 30th January, 2015, had declared an interim dividend of ₹ 2.00 per Equity Share, out of the profits of the Company for the nine months ended 31st December, 2014 on 139,448,305 Equity Shares of ₹ 1.00 each aggregating to ₹ 278,896,610/- .

Keeping in view the overall performance during the year, your Directors are pleased to recommend a final dividend of ₹ 1 per Equity Share payable to those members whose names appear in the Register of Members as on the Book Closure Date.

As per the requirement of the Reserve Bank of India Regulations, during the year, your Company has transferred a sum of ₹ 120.98 million to the Statutory Reserve. Further, during the year under review, the Company has transferred a sum of ₹ 30.25 million to the General Reserve.

Share Capital

During the year under review, the Company bought back 2,756 equity shares and allotted 19,99,600 equity shares under various employee stock option schemes of the Company.

Accordingly, the paid up share capital of the Company as on 31st March, 2015 is ₹ 14,01,62,675 (Rupees Fourteen Crore One Lac Sixty Two Thousand Six Hundred and Seventy Five only).

- **Closure of Buyback of Equity Shares**

The Company announced buyback of its equity shares in April, 2013 which was approved by the Members by way of Postal Ballot process for which the results were declared on 21st June, 2013.

The Company had approved buyback of up to 75,00,000 fully paid-up Equity Shares of ₹ 1 each at a price not exceeding ₹ 90/- per share from the open market through stock exchanges, subject to the condition that the aggregate amount to be paid by the Company for the said Buyback (excluding brokerage and other charges) shall not exceed ₹ 650,000,000 (Rupees Sixty Five Crores)

During the Buyback programme which ended in June, 2014, the Company has bought back and extinguished 94.30% of 75,00,000 shares (maximum offer shares) aggregating to 7,072,701 shares for a consideration of ₹ 560,103,402 (excluding brokerage and other charges).

The Company's buyback programme was successfully implemented.

- **Employees' Stock Option Schemes (ESOS)**

The Members at the Annual General Meeting of the Company held on 22nd August, 2014 approved the Motilal Oswal Financial Services Limited Employee Stock Option Scheme VII (ESOP Scheme VII). The employee stock options are exercisable into not more than 25,00,000 equity shares of ₹ 1 each.

The disclosures in compliance with Section 62 of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014, SEBI (Share Based Employee Benefits) Regulations, 2014 and SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (SEBI ESOP Regulation) are set out to the report as "Annexure 1".

The Employee Stock Option Scheme is administered by the Nomination and Remuneration/Compensation Committee of the Board of the Company, in accordance with the applicable SEBI ESOP Regulation.

Non Convertible Debentures

- **Redemption of Debentures**

During the year under review, 2500 Principal Protected Secured Redeemable Non-Convertible Debentures of the face value of ₹ 1.00 lac each linked to S&P CNX Nifty, listed on BSE Limited, were redeemed on exercising the put option by Motilal Oswal Securities Limited on 31st December, 2014.

- **Issue of Debentures**

Your Company had allotted, pursuant to the approval of members by special resolution on 22nd August, 2014, 1500 Secured Non-Convertible Debentures of face value of ₹ 10,00,000 each aggregating to ₹ 150 crores consisting of Series A, B & C of ₹ 50 Crores each with different maturity periods. The said debentures are listed on the Wholesale Debt Market (WDM) Segment of National Stock Exchange of India Limited.

Fixed Deposits

Your Company has not accepted any deposits under Chapter V of Companies Act, 2013 during the year under review.

Subsidiaries

During the year under review, Motilal Oswal Securities Limited and Motilal Oswal Commodities Broker Private limited, subsidiaries of the Company became wholly owned subsidiaries of the Company on 12th February, 2015.

Further, M/s. Motilal Oswal Asset Management Company Limited, a step down wholly owned subsidiary of your Company, incorporated Motilal Oswal Asset Management (Mauritius) Private Limited, Mauritius as its wholly owned subsidiary on 8th January, 2015.

Accordingly, as on March 31, 2015, the Company has the following subsidiary companies:

Sr. No. Name of the subsidiaries

1. Motilal Oswal Securities Limited (MOSL)
2. Motilal Oswal Investment Advisors Private Limited
3. MOPE Investment Advisors Private Limited (Formerly known as Motilal Oswal Private Equity Advisors Pvt. Ltd.)
4. Motilal Oswal Commodities Broker Private Limited
5. Motilal Oswal Insurance Brokers Private Limited
6. Motilal Oswal Capital Markets Private Limited (Subsidiary of MOSL)
7. Motilal Oswal Asset Management Company Limited (Subsidiary of MOSL)
8. Motilal Oswal Trustee Company Limited (Subsidiary of MOSL)
9. Motilal Oswal Wealth Management Limited (Subsidiary of MOSL)
10. Motilal Oswal Securities International Private Limited.(Subsidiary of MOSL)
11. Motilal Oswal Capital Markets (Hong Kong) Private Limited (Subsidiary of MOSL)
12. Motilal Oswal Capital Markets (Singapore) Pte. Limited (Subsidiary of MOSL)
13. Aspire Home Finance Corporation Limited (Subsidiary of MOSL)
14. Motilal Oswal Real Estate Investment Advisors Private Limited (Subsidiary of MOPE Investment Advisors Private Limited)
15. Motilal Oswal Real Estate Investment Advisors II Private Limited (Subsidiary of Motilal Oswal Real Estate Investment Advisors Private Limited)
16. India Business Excellence Management Co. (Subsidiary of MOPE Investment Advisors Private Limited)
17. Motilal Oswal Asset Management (Mauritius) Private Limited (Subsidiary of Motilal Oswal Asset Management Company Limited)

The policy for determining material subsidiaries as approved by the Board is displayed on the Company's website at the link <http://www.motilaloswal.com/Financial-Services/Investor-Relations/Corporate-Policies/content/C152>.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, a statement containing salient features of financial statement of subsidiaries in Form AOC-1 is annexed to the 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 companies upon request by any Member of the Company interested in obtaining the same. The separate audited financial statement in respect of each of the subsidiary companies is also available on the website of your Company at www.motilaloswal.com.

The financial performance of each of the subsidiaries included in the consolidated financial statement of your Company is annexed herewith to this Report as "Annexure 2".

Directors and Key Managerial Personnel

Directors

The Company has 7 (Seven) Directors comprising of 4 (Four) Independent Directors, 1 (One) Non-executive Director, 1 (One) Chairman, Managing Director & Chief Executive Officer and 1 (One) Joint Managing Director.

Mr. Motilal Oswal retires by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for reappointment. The detail of the Director to be reappointed is set out in the Report on Corporate Governance forming part of this Annual Report.

Mr. Raamdeo Agarwal has been re-appointed as Joint Managing Director in pursuance of member's approval through ordinary resolution passed in the Annual General Meeting held on 22nd August, 2014, for the period of five years with effect from 14th October, 2014, and shall be liable to retire by rotation.

Mr. Balkumar Agarwal, Independent Director was appointed at the Annual General Meeting (AGM) of the Company held on 22nd August, 2014 to hold office up to the conclusion of the forthcoming AGM of the Company. Due to his pre-occupation, he expressed his inability to continue further as Independent Director for another term.

Mr. Vivek Paranjpe, Mr. Praveen Tripathi and Mrs. Sharda Agarwal were appointed as Independent Directors of the Company by the members at their AGM held on 22nd August, 2014 for the period of three years.

The Company has received necessary declarations from Mr. Balkumar Agarwal, Mr. Vivek Paranjpe, Mr. Praveen Tripathi and Mrs. Sharda Agarwal, Independent Directors of the Company under section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Key Managerial Personnel

In accordance to the provisions of Companies Act, 2013, Mr. Motilal Oswal, Chairman, Chief Executive Officer and Managing Director, Mr. Raamdeo Agarwal, Joint Managing Director, Mr. Sameer Kamath, Chief Financial Officer and Mr. Samrat Sanyal, Company Secretary and Compliance Officer of the Company were designated as Key Managerial Personnel of the Company.

Mr. Samrat Sanyal resigned from the post of Company Secretary and Compliance Officer of the Company with effect from closure of business hours of 6th April, 2015.

Committees of the Board

During the year, in accordance with the Companies Act, 2013, the Board re-constituted some of its Committees.

The details of all the Committees of the Board along with their charters, composition and meetings held during the year, are provided in the Report on Corporate Governance which forms part of this Annual Report.

Corporate Social Responsibility (CSR)

The Company, Motilal Oswal Financial Services Limited recognizes its responsibilities towards society and strongly intends to contribute towards development of knowledge based economy.

The Company has also framed the Corporate Social Responsibility (CSR) Policy containing the details of activities to be undertaken under CSR, prohibited activities under CSR, CSR Projects and Implementation Schedule, Budgeting and Allocation of funds, monitoring and evaluation of CSR activities.

As the part of the initiatives under Corporate Social Responsibility, during the year under review the Company has made contribution in area of education towards formation of Ashoka University in New Delhi.

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

The Annual Report on CSR activities is annexed herewith to this Report as "Annexure 3".

Performance Evaluation

Pursuant to the provisions of section 134(3)(p) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance and the Directors individually and various Committees of the Board. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's and Committee functioning such as providing of strategic directions, performance, governance & compliance and overall performance. The performance evaluation of the Independent Directors was also carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process. The evaluation criteria has been stated in the Corporate Governance Report forming part of this Annual Report.

Corporate Governance

A separate report on Corporate Governance is provided together with certificate from the Auditors of the Company confirming compliance to the conditions of Corporate Governance as stipulated under Clause 49 of the Equity Listing Agreement and is forming part of this Annual Report.

Management Discussion and Analysis

The Management Discussion and Analysis Report for the year under review as stipulated under Clause 49 of the Equity Listing Agreement is forming part of this Annual Report.

Vigil Mechanism/Whistle Blower Policy

The Company has established the Vigil Mechanism/Whistle Blower Policy for the employees and directors for reporting the genuine concerns or grievances, significant deviations from key management policies and reporting 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 employees or directors have been denied access to the Audit Committee of the Board.

The Vigil Mechanism/Whistle Blower Policy is uploaded on the Website of the Company at www.motilaloswal.com

Business Risk Management

The organization is in the process of strengthening its entity-wise Risk Management framework with an endeavour to enhance the control environment via risk mitigation and reducing the impact of risks concerning the business of the company within the acceptable levels. It has been carried out in a phased manner wherein due emphasis is being given on identification, assessment and mitigation thereof through economic control of those risks that endanger to the assets and business of the Company.

To achieve the aforesaid objectives, the Board of Directors of your company has framed the Risk Management policy to identify, assess and mitigate the risk associated with the Business of the Company.

Internal Financial Controls

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

Particulars of Loans, Guarantees or Investments

Your Company being the Non Banking Financial Company having the principal business of providing loans, is exempted from the provisions of Section 186 of the Companies Act, 2013 to the extent of providing loans, giving guarantee and providing security in connection with loan.

However, the details of investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in note no. 11 to the financial statement.

The particulars of loans/advances and investment in its own shares by listed companies, their subsidiaries, associates, etc., required to be disclosed in the annual accounts of the company pursuant to Clause 32 of the Listing Agreement with the Company, are annexed to the financial statement in the Annual Report.

Related Party Transactions

All related party transactions entered into during the financial year were on an arm's length basis and were in the ordinary course of business. However, the material related party transactions were approved by shareholders through postal ballot.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval, if necessary. Prior omnibus approval of the Audit Committee is obtained on a quarterly basis for the fresh transactions which are of a foreseen and repetitive nature. The details of all such related party transactions entered into pursuant to the omnibus approval of the Committee are placed before the Audit Committee on a quarterly basis for its review.

Details of particulars of contracts or arrangements or transactions entered into by the Company under section 188(1) of the Companies Act, 2013, with related parties in form AOC-2 are provided in "Annexure 4" as required under Section 134(3)(h) of Companies Act, 2013 and Rules made there under.

The policy on Materiality of Related Party Transactions as approved by the Board is uploaded on the Company's Website at the link <http://www.motilaloswal.com/Financial-Services/Investor-Relations/Corporate-Policies/content/C152>

Statutory Auditors

Your Company has appointed M/s. Haribhakti & Co. LLP, Chartered Accountants as Statutory Auditors for the period of three years subject to the ratification by the members in every Annual General Meeting. In compliance to the provisions of Section 139 of the Companies Act, 2013, the appointment of the statutory auditors is to be ratified by the members at the forthcoming Annual General Meeting. M/s. Haribhakti & Co. LLP, Chartered Accountants have given their consent for re-appointment. The members will be required to ratify the appointment of Auditors for the current financial year and fix their remuneration.

There were no qualifications, reservations, adverse remarks or disclaimers in the report of Statutory Auditors of the Company.

Secretarial Audit

In accordance with the provisions of Section 204 of the Companies Act, 2013 read with rules there under, the Company has appointed M/s. U. Hegde and Associates, Practising Company Secretaries, for conducting the secretarial audit of the Company for the Financial Year 2014-15.

There were no qualifications, reservations, adverse remarks or disclaimers in the Secretarial Audit Report of the Company.

The secretarial audit report is annexed to this Report as "Annexure 5".

Particulars of employees as required under section 197 of the Companies Act, 2013 and Rules framed there under

In accordance with the provisions of Section 197(12) of Companies Act, 2013, 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 Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report as "Annexure 6".

In accordance with the provisions of Section 197 of the Companies Act, 2013 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 on the Company's website at the link <http://www.motilaloswal.com/Financial-Services/Investor-Relations/Disclosure/content/C149>. The Annexure is also available for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the said Annexure may write to the Company Secretary & Compliance Officer at the Registered Office of the Company.

Mr. Motilal Oswal, Managing Director and Mr. Raamdeo Agarawal, Joint Managing Director of the Company did not receive any commission or remuneration from its Holding or Subsidiary Company during the year under review.

Directors' Responsibility Statement

Pursuant to Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, your Directors confirms that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the Profit of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and the internal controls are adequate and were operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and the systems were adequate and operating effectively.

Extract of Annual Return

The details forming part of extract of annual return of the Company in Form MGT 9 is annexed herewith to the report as "Annexure 7".

Number of Board Meetings

The details of Board Meetings held in Financial Year 2014-15 is stated in Corporate Governance Report forming part of this Annual Report.

Change of Registered Office within local limits

Your Company has shifted its registered office from Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai - 400064 to Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai - 400025 with effect from 1st July, 2014 for operational convenience.

Significant and Material Orders

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future during the year 31st March, 2015.

Nomination and Remuneration Policy

The Board has on the recommendation of Nomination and Remuneration / Compensation Committee framed a policy on directors' appointment and remuneration of Directors including criteria for determining qualification, positive attributes, independence of directors and remuneration for Directors, Key Managerial Personnel and other employees. The policy is annexed to this report as "Annexure 8".

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

In view of the nature of activities which are being carried on by the Company, Rule 8(3) of the Companies (Accounts) Rules, 2014 concerning conservation of energy and technology absorption respectively are not applicable to the Company.

There was no inflow or outflow of foreign exchange during the year under review.

Acknowledgments

Your Directors take this opportunity to thank the Authorities, Bankers, Shareholders and the Customers of the Company for their continued support to the Company. The Directors also place on record their sincere appreciation of the contributions made by every member of the MOFSL family for their dedicated efforts that made these results achievable.

For and on behalf of the Board of

Motilal Oswal Financial Services Limited

Motilal Oswal

Chairman & Managing Director

DIN : 00024503

Mumbai, 30th April, 2015

ANNEXURE 1 TO THE BOARD'S REPORT

Information disclosed under the compliance of Section 62 of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014, SEBI (Share Based Employee Benefits) Regulations, 2014 and SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (SEBI ESOP Regulation) as at 31st March, 2015:

Sr. No.	Particulars	'Motilal Oswal Financial Services Limited - Employees' Stock Option Scheme (Rs. 2 - III)' (ESOS - III)	'Motilal Oswal Financial Services Limited - Employees' Stock Option Scheme (Rs. 5 - IV)' (ESOS - IV)	'Motilal Oswal Financial Services Limited - Employees' Stock Option Scheme (Re. 1) - V' (ESOS - V)	'Motilal Oswal Financial Services Limited - Employees' Stock Option Scheme (Re. 1) - VI' (ESOS - VI)	'Motilal Oswal Financial Services Limited - Employees' Stock Option Scheme (Re. 1) - VII' (ESOS - VII)
a)	Options granted	12,61,500	2,00,000	69,78,250	70,32,450	14,34,500
b)	The pricing formula	Price at which shares are issued to Private Equity Investor i.e. at the Rate of ₹ 518.90 per share.	Price arrived at with reference to the expected Issue Price i.e. at ₹ 775 per share.	The closing price of the Company's Equity Shares quoted on the BSE Limited 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.	The closing price of the Company's Equity Shares, prior to the date of grant of the Options, on the Stock Exchanges where the highest trading volume is recorded, discounted / increased by such percentage as may be determined by the Committee.	The 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.
c)	Options vested	10,15,975	10,000	18,95,500	44,94,028	Nil
d)	Options exercised	6,43,175	5,000	7,10,850	13,84,000	Nil
e)	The total number of shares arising as a result of exercise of option	12,86,350	25,000	7,10,850	13,84,000	Nil
f)	Options lapsed (as at 31.03.15)	6,09,075	1,95,000	45,28,250	22,55,950	Nil
g)	Variation of terms of options	N.A.	N.A.	Due to the considerable fall in the share price of the Company the ESOP exercise price of ₹ 208.70 per stock option had become unattractive to the option holders. Therefore, the Committee pursuant to provisions of Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, re-priced 90,000 options from ESOP Scheme V and 4,97,800 options from ESOP Scheme VI, to ₹ 165 per stock option from ₹ 208.70 per stock option. This was approved by the shareholders in the Annual General Meeting of the Company on 27th July, 2013.		N.A.
h)	Money realised by exercise of options	₹ 13,34,97,403	₹ 38,75,000	₹ 11,91,92,659	₹ 22,91,55,598	Nil
i)	Total number of options in force (as at 31.03.15)	9,250	Nil	1,739,150	3,392,500	14,34,500
j)	Employee-wise details of options granted to:					
	(i) Senior managerial personnel	N.A.	N.A.	Nil	19,48,450	Nil
	(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	N.A.	N.A.	1 employee was granted stock options in excess of 5%	N.A.	1 employee was granted stock options in excess of 5%

ANNEXURE 1 TO THE BOARD'S REPORT

Sr. No.	Particulars	'Motilal Oswal Financial Services Limited - Employees' Stock Option Scheme (Rs. 2) - III' (ESOS - III)	'Motilal Oswal Financial Services Limited - Employees' Stock Option Scheme (Rs. 5) - IV' (ESOS - IV)	'Motilal Oswal Financial Services Limited - Employees' Stock Option Scheme (Re. 1) - V' (ESOS - V)	'Motilal Oswal Financial Services Limited - Employees' Stock Option Scheme (Re. 1) - VI' (ESOS - VI)	'Motilal Oswal Financial Services Limited - Employees' Stock Option Scheme (Re. 1) - VII' (ESOS - VII)
	(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	N.A.	N.A.	N.A.	Nil	Nil
k)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 'Earnings per Share'	₹ 4.25	₹ 4.25	₹ 4.25	₹ 4.25	₹ 4.25
l)	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Nil	Nil	The Company has calculated the employee compensation cost using the intrinsic value of stock options. Had the fair value method been used, in respect of stock options granted under ESOS –V, ESOS –VI and ESOS –VII, the employee compensation cost would have been higher by ₹ 36287211 /- Profit after tax lower by ₹ 36287211/- and the basic earnings per share would have been lower by ₹ 0.26.		
m)	Weighted-average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	N.A.	N.A.	I. Option grant date: i. 26th April, 2014 for 5,00,000 options ii. Exercise price: ₹ 109.90 per option. iii. Fair Value: ₹18.93 II. Option grant date: i. 7th May, 2014 for 6,60,750 options ii. Exercise price: ₹ 112.05 per option. iii. Fair Value: ₹ 34.29	N.A.	i. Option grant date: 30th January, 2015 for 1,434,500 options ii. Exercise price: ₹ 333.85 per option. iii. Fair Value: ₹ 69.08
n)	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:-			The fair value of the stock options granted on 26th April, 2014 and 7th May, 2014 has been calculated using Black Scholes Options Pricing Formula and the significant assumptions made in this regard are as follows:		The fair value of the stock options granted on 30th January, 2015 has been calculated using Black Scholes Options Pricing Formula and the significant assumptions made in this regard are as follows:
	(i) risk-free interest rate,	N.A.	N.A.	7.7%	N.A.	7.7%
	(ii) expected life,	N.A.	N.A.	i. 4.24 Years ii. 5.18 Years	N.A.	3.17 Years
	(iii) expected volatility,	N.A.	N.A.	20%	N.A.	20%

ANNEXURE 1 TO THE BOARD'S REPORT

Sr. No.	Particulars	'Motilal Oswal Financial Services Limited - Employees' Stock Option Scheme (Rs. 2) - III' (ESOS - III)	'Motilal Oswal Financial Services Limited - Employees' Stock Option Scheme (Rs. 5) - IV' (ESOS - IV)	'Motilal Oswal Financial Services Limited - Employees' Stock Option Scheme (Re. 1) - V' (ESOS - V)	'Motilal Oswal Financial Services Limited - Employees' Stock Option Scheme (Re. 1) - VI' (ESOS - VI)	'Motilal Oswal Financial Services Limited - Employees' Stock Option Scheme (Re. 1) - VII' (ESOS - VII)
	(iv) expected dividends, and	N.A.	N.A.	1%	N.A.	1%
	(v) the price of the underlying share in market at the time of option grant.	The Company was an unlisted company at the time of grant. However, the Options were granted at the price at which Shares were issued to Private Equity Investor i.e. ₹ 518.90 per share.	The Company was an unlisted company at the time of grant. However, the Options were granted at the price which was determined with reference to the expected Issue Price.	₹ 109.90	N.A.	₹ 319.95

Place : Mumbai

Date : 30th April, 2015.

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

Motilal Oswal
Chairman & Managing Director
DIN : 00024503

ANNEXURE 2 TO THE BOARD'S REPORT

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

₹ in millions

Sr. No	Name of the Subsidiary / Joint Venture Company	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 Securities Limited	5,425.61	3,216.22	69%	1,492.99	736.80	103%	1,081.23	170.77	5.33
2	Motilal Oswal Investment Advisors Private Limited	200.65	85.94	133%	(2.09)	(51.27)	96%	(1.15)	(37.21)	0.97
3	MOPE Investment Advisors Private Limited (Formerly known as Motilal Oswal Private Equity Advisors Private Limited)	254.86	399.62	-36%	113.00	200.73	-44%	74.01	133.80	(0.45)
4	Motilal Oswal Commodities Broker Private Limited	91.40	161.56	-43%	(35.32)	62.62	-156%	(22.74)	13.27	(2.71)
5	Motilal Oswal Insurance Brokers Private Limited	4.16	0.97	331%	(8.56)	(5.33)	-61%	(5.92)	(0.43)	(12.72)
6	Motilal Oswal Capital Markets Private Limited	2.38	0.91	160%	1.80	0.71	154%	1.57	0.46	2.39
7	Motilal Oswal Asset Management Company Limited	878.34	349.92	151%	52.48	(6.43)	716%	52.48	(6.43)	9.16
8	Motilal Oswal Trustee Company Limited	1.22	0.44	179%	0.85	0.06	1304%	0.58	0.04	11.96
9	Motilal Oswal Wealth Management Limited	299.15	136.04	120%	94.02	20.24	364%	64.75	12.24	4.29
10	Motilal Oswal Securities International Private Limited	19.51	13.82	41%	2.57	4.69	-45%	1.77	3.39	(0.48)
11	Aspire Home Finance Corporation Limited	239.09	4.81	4870%	38.57	(2.75)	1501%	21.74	(2.75)	8.90
12	Motilal Oswal Real Estate Investment Advisors Private Limited	0.00512	-	-	(2.11)	(0.12)	-1718%	(2.11)	(0.12)	(17.18)
13	Motilal Oswal Real Estate Investment Advisors II Private Limited	109.96	23.33	371%	(28.48)	(21.88)	-30%	(19.80)	(15.01)	(0.32)
(B) FOREIGN SUBSIDIARIES										
1	Motilal Oswal Capital Markets (Hong Kong) Private Limited	0.00028	0.00031	-9%	(7.97)	(5.98)	-33%	(7.97)	(5.98)	(0.33)
2	Motilal Oswal Capital Markets (Singapore) Private Limited	13.75	13.13	5%	1.78	1.71	4%	1.56	1.62	(0.04)
3	Motilal Oswal Asset Management (Mauritius) Private Limited	-	-	-	(0.42)	-	-	(0.42)	-	-
4	Indian Business Excellence Management Company	187.22	273.56	-32%	58.55	3.31	1671%	56.79	3.21	16.71

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

Place : Mumbai

Date : 30th April, 2015.

Motilal Oswal
Chairman & Managing Director
DIN : 00024503

Annual Report on CSR Activities

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 the responsibilities towards society and strongly intends to contribute towards development of knowledge based economy. Recognizing the responsibilities towards society, the Company intend to carry out initiatives for supporting education. The Company's endeavour is to provide liberal arts education at low cost, providing education to children from different background etc. Weblink to CSR Policy - <http://www.motilaloswal.com/Financial-Services/Investor-Relations/Corporate-Policies/content/C152>
2. The Composition of the CSR Committee
The Committee comprises of three directors: Mr. Balkumar Agarwal- Independent Director (Chairman), Mr. Motilal Oswal and Mr. Raamdeo Agarawal.
3. Average net profit of the company for last three financial years
₹ 264,233,332
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)
₹ 5,290,000
5. Details of CSR spent during the financial year:
 - (a) Total amount spent for the financial year;
₹ 5,290,000
 - (b) Amount unspent , if any;
Nil
 - (c) Manner in which the amount spent during the financial year is detailed below:

S. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs Subheads: 1. Local area or other 2. Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) project or programs wise	Amount spent on the projects or programs Subheads: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount Spent : Direct or through implementing agency
1	Establishment of Ashoka University	Education	New Delhi	₹ 52,90,000	Direct Expenditure of ₹ 52,90,000	₹ 52,90,000	Through M/s. Motilal Oswal Foundation
	TOTAL			₹ 52,90,000		₹ 5,290,000	
	*Give details of implementing agency:	M/s. Motilal Oswal Foundation is registered under section 25 of the Companies Act, 1956 incorporated on 24th June, 2011 having registered office at Palm Spring Centre, 2nd floor, Palm Court Complex, New Link Road, Malad (West), Mumbai - 400 064. Motilal Oswal Foundation is a non-profit organisation to support social initiatives of the group and is promoted by Mr. Motilal Oswal, Mr. Raamdeo Agarawal and Passionate Investment Management Private Limited, the group holding company. The Foundation is headed by Ms. Suneeta Agrawal and Ms. Pratiksha Oswal. Education, healthcare and rural and urban development are the key focus areas of Motilal Oswal Foundation.					
6.	In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.	Not Applicable					

The CSR Committee confirms that the implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

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

Motilal Oswal
Managing Director & Chief Executive Officer
DIN : 00024503

Balkumar Agarwal
Chairman-CSR Committee
DIN : 00001085

Place : Mumbai
Date : 30th April, 2015.

ANNEXURE 4 TO THE BOARD'S REPORT

Form No. AOC-2

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

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

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

Sr. No	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
NOT APPLICABLE								

2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value	Date(s) of approval by the Board,	Date(s) of approval by the Members	Amount paid as advances, if any
1	M/s. Motilal Oswal Securities Limited - Wholly Owned Subsidiary of the Company	Availing loan facility	-	Obtaining loans from Motilal Oswal Securities Limited, wholly owned subsidiary of the Company, and further for providing, the investments held by the Company in its name in favor of Motilal Oswal Securities Limited as collateral against the loan drawn upto ₹ 1000 crores	19th July, 2014	22nd September, 2014	-
2	M/s. Motilal Oswal Securities Limited - Wholly Owned Subsidiary of the Company	Providing Company's immovable property as security for loans availed by Motilal Oswal Securities Limited from Banks	-	Providing security by mortgaging Company's immovable properties, create charge on its movable properties or create hypothecation and provide guarantee or security for loan facilities obtained by Motilal Oswal Securities Limited from Banks, Financial Institutions upto ₹ 1000 crores	19th July, 2014	22nd September, 2014	-

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

Place : Mumbai

Date : 30th April, 2015.

Motilal Oswal
Chairman & Managing Director
DIN : 00024503

Secretarial Audit Report

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

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015.

To,

The Members,

MOTILAL OSWAL FINANCIAL SERVICES LIMITED

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 (hereinafter referred to as the 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.

Management's Responsibility for Secretarial Compliances:

The Company's management is responsible for preparation and maintenance of Secretarial Records and for devising proper systems to ensure compliances with provisions of applicable laws and regulations

Auditors Responsibility

My responsibility is to express an opinion on the secretarial records, standards and procedures followed by the Company with respect to Secretarial Compliances .

Based on 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, 2015 has 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 M/s Motilal Oswal Financial Services Limited ("the Company") for the financial year ended on March 31, 2015 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
- (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;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (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 financial year)** and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Based on the representation made by the Company and on the basis of systems and mechanisms formed by the Company and its officer for compliance

I am of the opinion that the management has :

- a) adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines .
- b) complied with the following laws specifically applicable to the company
 - 1) "Non-Banking Financial (Non- Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007".
 - 2) RBI Guidelines on Asset Liability Management for NBFC.
 - 3) Know Your Customer Guidelines framed by the RBI.
 - 4) Guidelines on Fair Practices Code.
 - 5) Directions issued by the RBI
 - i) For raising money through Private Placement by NBFC.
 - ii) For Submission of half yearly certificate by company certified by auditor certifying the compliance by NBFC with FDI Norms.
 - 6) Any other circulars ,notifications, guidelines & directions issued by RBI in relation to NBFC-ND-SI.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. **(Not applicable to the Company during the financial year).**
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited and National Stock Exchange of India Limited

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

I further report that

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

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

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

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

I further report that during the audit period the Company :

- i) has completed the process of buyback of 70,72,701 number of equity shares of ₹ 1/- each (i.e 94.30% of the maximum buyback offer shares) on June 6,2014.
- ii) Has passed special resolution under Section 180(1) (c) of the Companies Act, 2013 for enhancing the borrowing limits upto ₹ 1200 Crores over and above the aggregate of the paid up capital and free reserves of the Company
- iii) Has passed special resolution under Section 180(1)(a) of the Companies Act, 2013 for securing the borrowings made by the Company for an amount aggregating to ₹ 1500 crores.

For **U.HEGDE & ASSOCIATES**
Company Secretaries

UMASHANKAR K. HEGDE
Proprietor

ACS No. 22133

CP No. 11161

Place: Mumbai

Date: April 30, 2015.

ANNEXURE 6 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 2014-15, the percentage increase in remuneration of Chief Executive Officer, Chief Financial Officer and other Executive Director and Company Secretary during the Financial year 2014-15.

S. No.	Name of Director/ KMP	Designation	Ratio of Remuneration of each Director to median remuneration of Employees	Percentage Increase in Remuneration
1.	Motilal Oswal	Managing Director and Chief Executive Officer	2:1	NA*
2.	Raamdeo Agarawal	Joint Managing Director	2:1	NA*
3.	Sameer Kamath	Chief Financial Officer	Not Applicable	19.45
4.	Samrat Sanyal	Company Secretary and Compliance Officer	Not Applicable	13.93

*The Directors are paid fixed remuneration of ₹ 20 lac per month pursuant to the approval of the members obtained by the Company.

Note:-

The Non-Executive Directors of the Company are entitled for sitting fee and commission as per the statutory provisions and are paid within the limits approved by the shareholders. The details of remuneration paid to Non-Executive Directors during the year under review is provided in Corporate Governance Report. Therefore, the ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is not considered for the aforesaid purpose.

- (ii) The percentage increase in the median remuneration of employees for the financial year under review was 17.61%.
- (iii) The Company has 6 permanent employees on the rolls of Company as on 31st March, 2015;
- (iv) **Relationship between average increase in remuneration and company performance;**
The average increase in remuneration of all employees was 16.64% for the year 2015 which is based partly on the results of the Company for the year ended 2015 and partly on the individual employee's performance. Variable compensation is an integral part of our total reward package and is directly linked to an individual performance rating and business performance.
- (v) **Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;**
The increase in the remuneration of the Chief Financial Officer and Company Secretary is broadly in link with an individual performance and business performance. During the year under review, the Company's revenue increased by 32.20%, Profit Before Interest and Tax (PBIT) increased by 45.45% and Profit After Tax increased by 53.89%.
- (vi) **Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year;**
The Market Capitalisation of the Company as on 31st March, 2015 was ₹ 3996.40 crores as compared to ₹ 1284.57 crores as on 31st March, 2014. The price earnings ratio of the Company was 27.83 as at 31st March, 2015 and was 32.50 as at 31st March, 2014. The closing price of the Company at BSE Limited on 31st March, 2015 being ₹ 285.05 per equity share of face value of ₹ 1 each has grown 1.73 times since the last offer for sale made in the year 2007 (Offer price was ₹ 825 per share of Face value of ₹ 5 each in 2007 i.e. ₹ 165 per share of face value of ₹ 1 each as on 31st March, 2015).
- (vii) **Average percentage 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;**

The average percentage increase of non-managerial employees is 26% and the average salary increase of managerial employees is 16.69%.

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

(viii) The key parameters for any variable component of remuneration availed by the directors;

The Executive Directors are not paid any variable component of remuneration. The fixed remuneration of ₹ 20 lacs per month is paid to the Executive Directors pursuant to the resolution passed by the members in the General Meeting.

In case of Independent Directors, they are paid the sitting fees of ₹ 20,000 for every Board Meeting and ₹ 10,000 for every Committee Meeting attended during the financial year and commission as approved by the Nomination and Remuneration / Compensation Committee for each financial year. The total remuneration of all non-executive Directors is limited to 1% of the net profits of the Company for that financial year.

(ix) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid director during the year;

The Managing Directors are the highest paid Directors.

No employee has received remuneration higher than the Managing Directors.

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

Place : Mumbai

Date : 30th April, 2015.

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

Motilal Oswal
Chairman & Managing Director
DIN : 00024503

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2015

[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	18th May, 2005
iii) Name of the Company	Motilal Oswal Financial Services Limited
iv) Category / Sub-Category of the Company	Public Limited Company
v) Address of the Registered office and contact details	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025. Tel. No. 022 3980 4200
vi) Whether listed company Yes / No	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt Ltd, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai-400078. Tel-025963838

II. Principal Business Activities of the Company:

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Interest Income	6492	51%
2	Investment Income	6492	42%

III. Particulars of Holding and Subsidiary Companies:

Sr. No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Passionate Investment Management Private Limited (PIMPL)	U67120MH1995PTC092014	Holding	54.79	2(46)
2	Motilal Oswal Securities Limited (MOSL)	U65990MH1994PLC079418	Subsidiary	100	2(87)
3	Motilal Oswal Investment Advisors Private Limited (MOIAPL)	U67190MH2006PTC160583	Subsidiary	100	2(87)
4	MOPE Investment Advisors Private Limited (MOPE)	U67110MH2006PTC161128	Subsidiary	85	2(87)
5	Motilal Oswal Commodities Broker Private Limited (MOCBPL)	U65990MH1991PTC060928	Subsidiary	100	2(87)
6	Motilal Oswal Insurance Brokers Private Limited (MOIBPL)	U74999MH2007PTC170211	Subsidiary	99.67	2(87)
7	Motilal Oswal Capital Markets Private Limited (MOCMPL)	U74140MH2006PTC165469	Subsidiary	100	2(87)
8	Motilal Oswal Asset Management Company Limited (MOAMC)	U67120MH2008PLC188186	Subsidiary	100	2(87)
9	Motilal Oswal Trustee Company Limited (MOTC)	U93090MH2008PLC188187	Subsidiary	100	2(87)
10	Motilal Oswal Wealth Management Limited (MOWML)	U67110MH2002PLC135075	Subsidiary	100	2(87)
11	Motilal Oswal Securities International Private Limited (MOSIPL)	U65929MH2011PTC219141	Subsidiary	100	2(87)
12	Motilal Oswal Capital Markets (Hong Kong) Private Limited (MOCMPL(HK))	59035781-000-09-11-0	Subsidiary	100	2(87)
13	Motilal Oswal Capital Markets (Singapore) Pte. Limited. (MOCMPL(SP))	201129401Z	Subsidiary	100	2(87)

ANNEXURE 7 TO THE BOARD'S REPORT

Sr. No	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
14	Aspire Home Finance Corporation Limited	U65923MH2013PLC248741	Subsidiary	99.99	2(87)
15	Motilal Oswal Real Estate Investment Advisors Private Limited (MORE)	U74999MH2013PTC248200	Subsidiary	76.5	2(87)
16	Motilal Oswal Real Estate Investment Advisors II Private Limited (MORE II)	U67190MH2014PTC253958	Subsidiary	68.85	2(87)
17	India Business Excellence Management Company	65644C1/GBL	Subsidiary	85	2(87)
18	Motilal Oswal Asset Management(Mauritius) Private Limited	127396C1/GBL	Subsidiary	100	2(87)

Note: The Company does not have any Associate Company as on 31st March, 2015.

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31.03.2014/As on 01.04.2014)				No. of Shares held at the end of the year (As on 31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	25,637,298	–	25,637,298	18.56	25,514,536	–	25,514,536	18.20	-0.35
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt (s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	76,793,394	–	76,793,394	55.58	76,793,394	–	76,793,394	54.79	-0.79
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any Other	–	–	–	–	–	–	–	–	–
Sub-total (A) (1)	102,430,692	–	102,430,692	74.14	102,307,930	–	102,307,930	72.99	-1.14
(2) Foreign									
a) NRIs -Individuals	–	–	–	–	–	–	–	–	–
b) Other –Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
d) Banks / FI	–	–	–	–	–	–	–	–	–
e) Any Other	–	–	–	–	–	–	–	–	–
Sub-total (A) (2)	–	–	–	–	–	–	–	–	–
Total shareholding of Promoters (A) = A)(1)+(A)(2)	102,430,692	–	102,430,692	74.14	102,307,930	–	102,307,930	72.99	-1.14
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	12,221,093	–	12,221,093	8.85	2,676,516	–	2,676,516	1.91	-6.94
b) Banks / FI	–	–	–	–	125	–	125	0.00	0.00
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIs	3,918,505	–	3,918,505	2.84	17,349,943	–	17,349,943	12.38	9.54
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1)	16,139,598	–	16,139,598	11.68	20,026,584	–	20,026,584	14.29	2.61

ANNEXURE 7 TO THE BOARD'S REPORT

Category of Shareholders	No. of Shares held at the beginning of the year (As on 31.03.2014/As on 01.04.2014)				No. of Shares held at the end of the year (As on 31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.	2,607,260	-	2,607,260	1.89	1,116,363	-	1,116,363	0.80	-1.09
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	4,303,835	52,010	4,355,845	3.15	4,402,049	52,011	4,454,060	3.18	0.03
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3,202,679	1,052,200	4,254,879	3.08	2,776,284	1,052,200	3,828,484	2.73	-0.35
c) Others (specify)									
i) Clearing Members	39,046	-	39,046	0.03	108,840	-	108,840	0.08	0.05
ii) Non Resident Indian - (On repatriation basis)	505,462	-	505,462	0.37	479,671	-	479,671	0.34	-0.02
iii) Non Resident Indian - (On Non-repatriation basis)	29,039	-	29,039	0.02	36,733	-	36,733	0.03	0.01
iv) Directors	7,804,010	-	7,804,010	5.65	7,804,010	-	7,804,010	5.57	-0.08
Sub-total (B)(2)	18,491,331	1,104,210	19,595,541	14.18	16,723,950	1,104,211	17,828,161	12.72	-1.46
Total Public Shareholding (B) = (B)(1) + (B)(2)	34,630,929	1,104,210	35,735,139	25.86	36,750,534	1,104,211	37,854,745	27.01	1.14
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	137,061,621	1,104,210	138,165,831	100.00	139,058,464	1,104,211	140,162,675	100.00	-

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 31.03.2014/As on 01.04.2014)			Shareholding at the end of the year (As on 31.03.2014/As on 01.04.2014)			
		No. of shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	No. of shares	% of the total shares of the company	% of the shares pledged/ encumbered to total shares	% change in shareholding during the year
1	Passionate Investment Management Private Limited	7,67,92,394	55.58	-	7,67,92,394	54.79	-	-0.79*
2	Mr. Motilal Oswal	1,21,10,476	8.77	-	1,21,10,476	8.64	-	-0.13*
3	Mr. Raamdeo Agarawal	1,18,28,100	8.56	-	1,18,28,100	8.44	-	-0.02*
4	Raamdeo Agrawal HUF	6,50,000	0.47	-	6,50,000	0.46	-	-0.01*
5	Mrs. Suneeta Raamdeo Agrawal	2,95,400	0.21	-	2,95,400	0.21	-	-
6	Mrs. Vimla Motilal Oswal	1,25,240	0.09	-	1,25,240	0.09	-	-
7	Dr. Karoon Ramgopal Agarawal	1,00,000	0.07	-	1,00,000	0.07	-	-
8	Mr. Vinay R. Agrawal	1,00,000	0.07	-	1,00,000	0.07	-	-
9	Mr. Sukhdeo Ramgopal Agarawal	81,576	0.06	-	80,200	0.06	-	-
10	Mr. Satish R. Agrawal	80,080	0.06	-	-	-	-	-0.06
11	Mr. Rajendra G. Oswal	75,000	0.05	-	65,000	0.05	-	-
12	Mr. Govinddeo R. Agarawal	60,000	0.04	-	60,000	0.04	-	-
13	Mrs. Suman Agrawal	50,000	0.04	-	50,000	0.04	-	-

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Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 31.03.2014/As on 01.04.2014)			Shareholding at the end of the year (As on 31.03.2014/ As on 01.04.2014)			
		No. of shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	No. of shares	% of the total shares of the company	% of the shares pledged/ encumbered to total shares	% change in shareholding during the year
14	Mrs.Vimladevi Salecha	37,500	0.03	–	19,000	0.01	–	-0.02
15	Mrs.Anita Anandmurthy Agrawal	30,000	0.02	–	30,000	0.02	–	–
16	Mr.Suresh Champalal Jain	5,000	0.00	–	–	–	–	–
17	Mr.Ashokkumar Champalal Tated	5,000	0.00	–	–	–	–	–
18	Mr.Rajesh Agarwal	2,806	0.00	–	–	–	–	–
19	Mr. Motilal Gopilal Oswal (Holding on behalf of VISU Associates)	1,000	0.00	–	1,000	0.00	–	–
20	OSAG Enterprises LLP	1,000	0.00	–	1,000	0.00	–	–
21	Motilal Oswal HUF	120	0.00	–	120	0.00	–	–
	Total	10,24,30,692	74.14	–	10,23,07,930	72.99	–	-1.14

* The decrease in percentage is due to allotment of 19,99,600 shares to Employees under Employee Stock Option Schemes.

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

Sl. No.	Name	Shareholding at the beginning of the year		Date*	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01-04-14) / end of the year (31-03-15)	% of total shares of the company				No. of shares	% of total shares of the company
1	Passionate Investment Management Private Limited	7,67,92,394	55.58	01.04.2014	0	Nil Movement during the year	7,67,92,394	54.79**
		7,67,92,394	54.79	31.03.2015				
2	Mr. Motilal Oswal	12,10,476	8.77	01.04.2014	0	Nil Movement during the year	1,21,10,476	8.64**
		1,21,10,476	8.64	31.03.2015				
3	Mr. Raamdeo Agarawal	1,18,28,100	8.56	01.04.2014	0	Nil Movement during the year	1,18,28,100	8.44**
		1,18,28,100	8.44	31.03.2015				
4	Raamdeo Agrawal HUF	6,50,000	0.47	01.04.2014	0	Nil Movement during the year	6,50,000	0.46**
		6,50,000	0.46	31.03.2015				
5	Ms. Suneeta Raamdeo Agrawal	2,95,400	0.21	01.04.2014	0	Nil Movement during the year	2,95,400	0.21
		2,95,400	0.21	31.03.2015				
6	Ms.Vimla Motilal Oswal	1,25,240	0.09	01.04.2014	0	Nil Movement during the year	1,25,240	0.09
		1,25,240	0.09	31.03.2015				
7	Dr. Karoon Ramgopal Agarawal	1,00,000	0.07	01.04.2014	0	Nil Movement during the year	1,00,000	0.07
		1,00,000	0.07	31.03.2015				
8	Mr.Vinay R.Agrawal	1,00,000	0.07	01.04.2014	0	Nil Movement during the year	1,00,000	0.07
		1,00,000	0.07	31.03.2015				

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Sl. No.	Name	Shareholding at the beginning of the year		Date*	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01-04-14) / end of the year (31-03-15)	% of total shares of the company				No. of shares	% of total shares of the company
9	Mr. Sukhdeo Ramgopal Agarawal	81,576	0.06	01.04.2014				
				20.06.2014	(1,376)	Transfer	80,200	0.06
		80,200	0.06	31.03.2015			-	-
10	Mr. Satish R. Agrawal	80,080	0.06	01.04.2014				
				30.05.2014	(80)	Transfer	80,000	0.06
				05.09.2014	(80,000)	Transfer	-	-
		0	0	31.03.2015				
11	Mr. Rajendra G. Oswal	75,000	0.05	01.04.2014				
				13.06.2014	(10,000)	Transfer	65,000	0.05
		65,000	0.05	31.03.2015			-	-
12	Mr. Govinddeo R. Agarawal	60,000	0.04	01.04.2014	0	Nil Movement during the year	60,000	0.04
		60,000	0.04	31.03.2015				
13	Ms. Suman Agrawal	50,000	0.04	01.04.2014	0	Nil Movement during the year	50,000	0.04
		50,000	0.04	31.03.2015				
14	Mrs. Vimladevi Salecha	37,500	0.03	01.04.2014				
				21.11.2014	(1,500)	Transfer	36,000	0.03
				28.11.2014	(14,000)	Transfer	22,000	0.02
				20.02.2015	(3,000)	Transfer	19,000	0.01
		19,000	0.01	31.03.2015				
15	Ms. Anita Anandmurthy Agrawal	30,000	0.02	01.04.2014	0	Nil Movement during the year	30,000	0.02
		30,000	0.02	31.03.2015				
16	Mr. Suresh Champalal Jain	5,000	0.00	01.04.2014				
				20.06.2014	(2,000)	Transfer	3,000	0.00
				18.07.2014	(1,000)	Transfer	2,000	0.00
				05.09.2014	(1,000)	Transfer	1,000	0.00
				21.11.2014	(1,000)	Transfer	0	0
		0	0	31.03.2015				
17	Mr. Ashokkumar Champalal Tated	5,000	0.00	01.04.2014				
				20.06.2014	(5,000)	Transfer	0	0
		0	0	31.03.2015				
18	Mr. Rajesh Agarwal	2,806	0.00	01.04.2014				
			0	11.07.2014	(500)	Transfer	2,306	0.00
			0	25.07.2014	(600)	Transfer	1,706	0.00
			0	01.08.2014	(600)	Transfer	1,106	0.00
			0	30.09.2014	(300)	Transfer	806	0.00
			0	31.10.2014	(400)	Transfer	406	0.00
			0	21.11.2014	(406)	Transfer	0	0
0	0	31.03.2015						

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Sl. No.	Name	Shareholding at the beginning of the year		Date*	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning (01-04-14) / end of the year (31-03-15)	% of total shares of the company				No. of shares	% of total shares of the company
19	Mr. Motilal Gopilal Oswal (Holding on behalf of VISU Associates)	1,000	0.00	01.04.2014		Nil Movement during the year	1,000	0.00
		1,000	0.00	31.03.2015				
20	OSAG Enterprises LLP	1,000	0.00	01.04.2014		Nil Movement during the year	1,000	0.00
		1,000	0.00	31.03.2015				
21	Motilal Oswal HUF	120	0.00	01.04.2014		Nil Movement during the year	120	0.00
		120	0.00	31.03.2015				

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

** The decrease in percentage is due to allotment of 19,99,600 shares to Employees under Employee Stock Option Schemes.

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

Sl. No.	For each of the Top 10 Shareholders*	Shareholding		Date**	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares at the beginning of the year (01.04.2014) / end of the year (31.03.2015)	% of total shares of the company				No. of shares	% of total shares of the company
1	HDFC Trustee Company Limited - HDFC Equity Fund	49,42,000	3.5769	01.04.2014				
				22.08.2014	10,00,000	Transfer	59,42,000	4.2834
				12.12.2014	24,00,000	Transfer	83,42,000	6.0038
				19.12.2014	-24,00,000	Transfer	59,42,000	4.2639
				06.02.2015	-50,000	Transfer	58,92,000	4.2252
				13.02.2015	-50,000	Transfer	58,42,000	4.1709
				20.02.2015	-1,75,000	Transfer	56,67,000	4.046
				27.02.2015	-40,600	Transfer	56,26,400	4.017
				13.03.2015	8,16,000	Transfer	48,10,400	3.4344
				20.03.2015	-30,00,000	Transfer	18,10,400	1.2916
				27.03.2015	-18,10,400	Transfer	0	0
				0	0	31.03.2015		
2	JP Morgan Indian Investment Company (Mauritius) Limited	25,32,674	1.8331	01.04.2014				
				12.09.2014	84,425	Transfer	2,67,099	1.8864
				30.09.2014	15,575	Transfer	26,32,674	1.8976
		26,32,674	1.8783	31.03.2015				
3	ICICI Prudential Value Fund Series 1	24,46,129	1.7704	01.04.2014				
				25.04.2014	-50,427	Transfer	23,95,702	1.734
				02.05.2014	-23,991	Transfer	23,71,711	1.7166
				09.05.2014	-1,81,384	Transfer	2,19,03,27	1.5853
				13.06.2014	-5,04,036	Transfer	16,86,291	1.2205
				20.06.2014	-2,86,291	Transfer	14,00,000	1.0133

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Sl. No.	For each of the Top 10 Shareholders*	Shareholding		Date**	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)		
		No. of shares at the beginning of the year (01.04.2014) / end of the year (31.03.2015)	% of total shares of the company				No. of shares	% of total shares of the company	
4	HDFC Trustee Company Limited - HDFC Prudence Fund			11.07.2014	-18,202	Transfer	13,81,798	1.0001	
				18.07.2014	-28,328	Transfer	13,53,470	0.9796	
				25.07.2014	-4,016	Transfer	13,49,454	0.9738	
				15.08.2014	-14,270	Transfer	13,35,184	0.9635	
				22.08.2014	-12,327	Transfer	13,22,857	0.9536	
				29.08.2014	-1,00,250	Transfer	12,22,607	0.8813	
				10.10.2014	-19,879	Transfer	12,02,728	0.8669	
				12.12.2014	4,28,511	Transfer	16,31,239	1.1740	
				19.12.2014	-4,28,511	Transfer	12,02,728	0.8631	
				16.01.2015	-78,393	Transfer	11,24,335	0.8063	
				23.01.2015	-45,260	Transfer	10,79,075	0.7738	
				10,79,075	0.7699	31.03.2015			
				24,00,000	1.737	01.04.2014			
				20.02.2015	-30,000	Transfer	23,70,000	1.6921	
				27.02.2015	-7,00,000	Transfer	16,70,000	1.1923	
				06.03.2015	-80,000	Transfer	15,90,000	1.1352	
				13.03.2015	-15,90,000	Transfer	0	0	
		0	0	31.03.2015					
5	Rajat Rajgharia	10,52,200	0.7615	01.04.2014	0	NIL movement during the year	10,52,200	0.7615	
		10,52,200	0.7507	31.03.2015					
6	HDFC Trustee Company Ltd HDFC MF Monthly Income Plan Long Term Plan	10,00,000	0.7238	01.04.2014					
				22.08.2014	-10,00,000	Transfer	0	0	
		0	0	31.03.2015					
7	HDFC Trustee Company Limited - HDFC Tax Saver Fund	9,42,450	0.6821	01.04.2014					
				25.04.2014	-42,450	Transfer	9,00,000	0.6514	
				23.05.2014	-9,00,000	Transfer	0	0	
		0	0	31.03.2015					
8	British Columbia Investment Management Corporation A/C	8,60,000	0.6224	01.04.2014					
				28.11.2014	7,112	Transfer	8,67,112	0.6187	
				05.12.2014	23	Transfer	8,67,135	0.6187	
		8,67,135	0.6187	31.03.2015					
9	Shreyans Credit and Capital Pvt. Ltd.	6,94,193	0.5024	01.04.2014					
				30.09.2014	-13,000	Transfer	6,81,193	0.491	
				10.10.2014	-72,300	Transfer	6,08,893	0.4389	
				17.10.2014	-1,46,000	Transfer	4,62,893	0.3334	
				24.10.2014	-28,892	Transfer	4,34,001	0.3126	
				31.10.2014	-55,400	Transfer	3,78,601	0.2727	
				07.11.2014	-55,915	Transfer	3,22,686	0.2324	
				21.11.2014	-41,821	Transfer	2,80,865	0.2021	
				28.11.2014	-1,50,342	Transfer	1,30,523	0.0939	

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Sl. No.	For each of the Top 10 Shareholders*	Shareholding		Date**	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares at the beginning of the year (01.04.2014) / end of the year (31.03.2015)	% of total shares of the company				No. of shares	% of total shares of the company
				05.12.2014	-40,000	Transfer	90,523	0.0651
				12.12.2014	-90,523	Transfer	0	0
		0	0	31.03.2015				
10	Sunmate Trade Private Limited	6,15,631	0.4456	01.04.2014				
				02.05.2014	-1,10,000	Transfer	5,05,631	0.366
				09.05.2014	-2,90,000	Transfer	2,15,631	0.1561
				20.06.2014	-32,000	Transfer	1,83,631	0.1329
				22.08.2014	-8,983	Transfer	1,74,648	0.1259
				29.08.2014	-844	Transfer	1,73,804	0.1253
				05.09.2014	-1,605	Transfer	1,72,199	0.1241
				12.09.2014	-75,471	Transfer	96,728	0.0697
				19.09.2014	-36,107	Transfer	60,621	0.0437
				30.09.2014	-60,621	Transfer	0	0
		0	0	31.03.2015				
11	Franklin Templeton Investment Funds	0	0	01.04.2014				
				31.12.2014	22,140	Transfer	22,140	0.0159
				16.01.2015	8,012	Transfer	30,152	0.0216
				20.02.2015	62,386	Transfer	92,538	0.0661
				13.03.2015	20,00,000	Transfer	20,92,538	1.494
				20.03.2015	26,08,000	Transfer	47,00,538	3.3536
		4,700,538	3.3536	31.03.2015				
12	Armor Qualified, LP	0	0	01.04.2014				
				04.04.2015	37,904	Transfer	37,904	0.0274
				11.04.2015	4,120	Transfer	42,024	0.0304
				18.04.2014	6,112	Transfer	48,136	0.0348
				02.05.2014	10,545	Transfer	58,681	0.0425
				09.05.2014	1,98,365	Transfer	2,57,046	0.186
				16.05.2014	45,945	Transfer	3,02,991	0.2193
				23.05.2014	4,17,281	Transfer	7,20,272	0.5213
				30.05.2014	49,991	Transfer	7,70,263	0.5575
				13.06.2014	2,68,152	Transfer	10,38,415	0.7516
				20.06.2014	20,147	Transfer	10,58,562	0.7662
				30.06.2014	1,35,404	Transfer	11,93,966	0.8642
				22.08.2014	1,292	Transfer	11,95,258	0.8616
				29.08.2014	960	Transfer	11,96,218	0.8623
				12.09.2014	10,094	Transfer	12,06,312	0.8695
				10.10.2014	65,690	Transfer	12,72,002	0.9168
				24.10.2014	5,891	Transfer	12,77,893	0.9203
				28.11.2014	30,809	Transfer	13,08,702	0.9419
				05.12.2014	5,132	Transfer	13,13,834	0.9456
				19.12.2014	8,360	Transfer	13,22,194	0.9488
				23.01.2015	44,800	Transfer	13,66,994	0.9803

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Sl. No.	For each of the Top 10 Shareholders*	Shareholding		Date**	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares at the beginning of the year (01.04.2014) / end of the year (31.03.2015)	% of total shares of the company				No. of shares	% of total shares of the company
				06.02.2015	16,174	Transfer	13,83,168	0.9919
				13.02.2015	19,749	Transfer	14,02,917	1.0016
				20.02.2015	58,268	Transfer	14,61,185	1.0432
				27.02.2015	2,74,707	Transfer	17,35,892	1.2393
				06.03.2015	8,289	Transfer	17,44,181	1.2453
		17,44,181	1.2444	31.03.2015				
13	Morgan Stanley Investment Management, Inc A/C Morgan Stanley India Investment Fund, Inc.	0	0	01.04.2014				
				27.03.2015	13,62,724	Transfer	13,62,724	0.9722
		13,62,724	0.9722	31.03.2015				
14	EM Resurgent Fund	0	0	01.04.2014				
				09.05.2014	5,58,540	Transfer	5,58,540	0.4043
				23.05.2014	10,000	Transfer	5,68,540	0.4115
				06.06.2014	6,556	Transfer	5,75,096	0.4162
				13.06.2014	26,498	Transfer	6,01,594	0.4354
				20.06.2014	32,000	Transfer	6,33,594	0.4586
				29.08.2014	15,160	Transfer	6,48,754	0.4677
				05.09.2014	976	Transfer	6,49,730	0.4684
				12.09.2014	39,426	Transfer	6,89,156	0.4967
				30.09.2014	1,21,830	Transfer	8,10,986	0.5845
				10.10.2014	59,800	Transfer	8,70,786	0.6276
				17.10.2014	34,000	Transfer	9,04,786	0.6516
				24.10.2014	1,38,096	Transfer	10,42,882	0.751
				31.10.2014	41,603	Transfer	10,84,485	0.781
				07.11.2014	1,13,394	Transfer	11,97,879	0.8627
				21.11.2014	44,000	Transfer	12,41,879	0.8938
				05.12.2014	1,98,016	Transfer	14,39,895	1.0363
				12.12.2014	34,768	Transfer	14,74,663	1.0613
				19.12.2014	58,724	Transfer	15,33,387	1.1003
				31.12.2014	-1,98,700	Transfer	13,34,687	0.9578
		13,34,687	0.9522	31.03.2015				
15	Armor Capital Offshore Master, Ltd	0	0	01.04.2014				
				04.04.2015	21,030	Transfer	21,030	0.0152
				11.04.2015	2,286	Transfer	23,316	0.0169
				18.04.2014	3,393	Transfer	26,709	0.0193
				02.05.2014	5,848	Transfer	32,557	0.0236
				09.05.2014	1,35,254	Transfer	1,67,811	0.1215
				16.05.2014	3,778	Transfer	1,71,589	0.1242
				23.05.2014	2,36,219	Transfer	4,07,808	0.2952
				30.05.2014	28,361	Transfer	4,36,169	0.3157
				13.06.2014	1,45,696	Transfer	5,81,865	0.4211
				20.06.2014	12,572	Transfer	5,94,437	0.4302

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Sl. No.	For each of the Top 10 Shareholders*	Shareholding		Date**	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares at the beginning of the year (01.04.2014) / end of the year (31.03.2015)	% of total shares of the company				No. of shares	% of total shares of the company
				30.06.2014	76,069	Transfer	6,70,506	0.4853
				04.07.2014	32,070	Transfer	7,02,576	0.5085
				22.08.2014	5,779	Transfer	7,08,355	0.5106
				29.08.2014	600	Transfer	7,08,955	0.5111
				12.09.2014	5,893	Transfer	7,14,848	0.5152
				10.10.2014	96,445	Transfer	8,11,293	0.5848
				24.10.2014	4,107	Transfer	8,15,400	0.5872
				14.11.2014	41,825	Transfer	8,57,225	0.6169
				21.11.2014	25,301	Transfer	882,526	0.6352
				28.11.2014	19,053	Transfer	9,01,579	0.6489
				05.12.2014	14,549	Transfer	9,16,128	0.6593
				19.12.2014	5,062	Transfer	9,21,190	0.661
				16.01.2015	4,100	Transfer	9,25,290	0.6635
				23.01.2015	40,200	Transfer	9,65,490	0.6924
				06.02.2015	21,153	Transfer	9,86,643	0.7075
				13.02.2015	14,243	Transfer	10,00,886	0.7146
				20.02.2015	41,515	Transfer	10,42,401	0.7442
				27.02.2015	1,96,053	Transfer	12,38,454	0.8842
				06.03.2015	39,627	Transfer	12,78,081	0.9125
				13.03.2015	55,244	Transfer	13,33,325	0.9519
		13,33,325	0.9513	31.03.2015				
16	Armor Capital Partners, LP	0	0	01.04.2014				
				04.04.2015	33,066	Transfer	33,066	0.0239
				11.04.2015	3,594	Transfer	36,660	0.0265
				18.04.2014	5,331	Transfer	41,991	0.0304
				02.05.2014	9,196	Transfer	51,187	0.037
				09.05.2014	2,05,859	Transfer	2,57,046	0.186
				16.05.2014	7,263	Transfer	2,64,309	0.1913
				23.05.2014	3,64,031	Transfer	6,28,340	0.4548
				30.05.2014	43,605	Transfer	6,71,945	0.4863
				13.06.2014	2,23,736	Transfer	8,95,681	0.6483
				20.06.2014	19,515	Transfer	9,15,196	0.6624
				30.06.2014	1,17,117	Transfer	10,32,313	0.7472
				04.07.2014	1,61,653	Transfer	11,93,966	0.8642
				11.07.2014	-1,22,953	Transfer	10,71,013	0.7752
				12.09.2014	4,093	Transfer	10,75,106	0.7749
				10.10.2014	51,365	Transfer	11,26,471	0.8119
				24.10.2014	5,146	Transfer	11,31,617	0.815
				28.11.2014	29,926	Transfer	11,61,543	0.836
				05.12.2014	4,517	Transfer	11,66,060	0.8392

ANNEXURE 7 TO THE BOARD'S REPORT

Sl. No.	For each of the Top 10 Shareholders*	Shareholding		Date**	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01.04.2014 to 31.03.2015)	
		No. of shares at the beginning of the year (01.04.2014) / end of the year (31.03.2015)	% of total shares of the company				No. of shares	% of total shares of the company
				19.12.2014	6,578	Transfer	11,72,638	0.8415
				06.02.2015	15,271	Transfer	11,87,909	0.8519
				13.02.2015	16,922	Transfer	12,04,831	0.8602
				20.02.2015	50,217	Transfer	12,55,048	0.896
				27.02.2015	2,35,869	Transfer	14,90,917	1.0644
				06.03.2015	7,106	Transfer	14,98,023	1.0695
				13.03.2015	24,756	Transfer	15,22,779	1.0872
		15,22,779	1.0864	31.03.2015				

*The Top ten shareholders as on 01st April, 2014 and 31st March, 2015 has 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.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name	Shareholding		Date*	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares at the beginning of the year (01-04-14)/ end of the year (31.03.2015)	% of total shares of the company				No. of shares	% of total shares of the company
1	Mr. Motilal Oswal (Chairman And Managing Director)	1,21,10,476	8.77	01.04.2014	0	NIL Movement during the year	1,21,10,476	8.77
		1,21,10,476	8.64	31.03.2015				
2	Mr. Raamdeo Agarwal (Joint Managing Director)	1,18,28,100	8.56	01.04.2014	0	NIL Movement during the year	1,18,28,100	8.56
		1,18,28,100	8.44	31.03.2015				
3	Mr. Navin Agarwal (Non-Executive Director)	78,04,010	5.65	01.04.2014	0	NIL Movement during the year	78,04,010	5.65
		78,04,010	5.57	31.03.2015				
4	Mr. Balkumar Agarwal (Independent Director)	0	0	01.04.2014	0	NIL Holding / Movement during the year	0	0
		0	0	31.03.2015				
5	Mr. Vivek Paranjpe (Independent Director)	0	0	01.04.2014	0	NIL Holding / Movement during the year	0	0
		0	0	31.03.2015				
6	Mr. Praveen Tripathi (Independent Director)	0	0	01.04.2014	0	NIL Holding / Movement during the year	0	0
		0	0	31.03.2015				
7	Ms. Sharda Agarwal (Independent Director)	0	0	01.04.2014	0	NIL Holding / Movement during the year	0	0
		0	0	31.03.2015				

ANNEXURE 7 TO THE BOARD'S REPORT

Sl. No.	Name	Shareholding		Date*	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year		
		No. of Shares at the beginning of the year (01-04-14)/ end of the year (31.03.2015)	% of total shares of the company				No. of shares	% of total shares of the company	
8	Mr. Sameer Kamath (Chief Financial Officer)	30,524	0.02	01.04.2014					
				20.06.2014	-15,000	Transfer	15,524	0.01	
				08.07.2014	21,000	ESOP Allotment	36,524	0.03	
				24.07.2014	-1,050	Transfer	35,474	0.03	
				06.08.2014	-125	Transfer	35,349	0.03	
				05.09.2014	-5,000	Transfer	30,349	0.02	
				12.09.2014	-5,000	Transfer	25,349	0.02	
				09.10.2014	16,500	ESOP Allotment	41,849	0.03	
				27.11.2014	-4,300	Transfer	37,549	0.03	
				11.12.2014	8,500	ESOP Allotment	46,049	0.03	
				46,049	0.03	31.03.2015			
		9	Mr. Samrat Sanyal (Company Secretary)	0	0	01.04.2014			
				08.07.2014	1,000	ESOP Allotment	1,000	0.00	
				13.08.2014	500	ESOP Allotment	1,500	0.00	
				25.08.2014	-500	Transfer	1,000	0.00	
				08.09.2014	-500	Transfer	500	0.00	
				09.10.2014	600	ESOP Allotment	1,100	0.00	
				27.11.2014	-1,100	Transfer	0	0.00	
				11.12.2014	1,700	ESOP Allotment	1,700	0.00	
				23.12.2014	-200	Transfer	1,500	0.00	
				31.12.2014	-600	Transfer	900	0.00	
				13.01.2015	1,200	ESOP Allotment	2,100	0.00	
				2,100	0.00	31.03.2015			

* Date of transfer has been considered as the date on which the beneficiary position was provided by the Depositories to your Company and actual date of allotment has been considered in case of ESOP Allotment

V. Indebtedness

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

Amount in ₹

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	188,314,895	–	–	188,314,895
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	32,776,556	–	–	32,776,556
Total (i+ii+iii)	221,091,451	–	–	221,091,451
Change in Indebtedness during the financial year				
• Addition	2,279,796,441	2,204,089,750	–	4,483,886,191
• Reduction	221,091,451	–	–	221,091,451
Net Change	2,058,704,990	2,204,089,750	–	4,262,794,740

ANNEXURE 7 TO THE BOARD'S REPORT

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the financial year				
i) Principal Amount	2,200,000,000	2,204,089,750	–	4,404,089,750
ii) Interest due but not paid	–	–		–
iii) Interest accrued but not due	79,796,441			79,796,441
Total (i+ii+iii)	2,279,796,441	2,204,089,750	Nil	4,483,886,191

VI. Remuneration of Directors and Key Managerial Personnel

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (in ₹)
		Mr. Motilal Oswal (Managing Director)	Mr. Raamdeo Agarawal (Joint Managing Director)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	23,925,000	24,000,000	47,925,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	44,700	44,700
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission as % of profit others, specify	–	–	–
5	Others (Leave Travel allowances)	75,000	–	75,000
	Total (A)	24,000,000	24,044,700	48,044,700
	Ceiling as per the Act	Within the overall limit of 10% of the Net Profits of the Company		

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount (in ₹)
		Mr. Bal Kumar Agarwal	Mr. Vivek Paranjpe	Mr. Praveen Tripathi	Ms. Sharda Agarwal	Mr. Navin Agarwal	
1.	Independent Directors						
	• Fee for attending board / committee meetings	130,000	130,000	120,000	40,000	–	420,000
	• Commission	400,000	400,000	400,000	300,000	–	1,500,000
	• Others, please specify	–	–	–	–	–	–
	Total (1)	530,000	530,000	520,000	340,000	–	1,920,000
2.	Other Non-Executive Directors						
	• Fee for attending board / committee meetings	–	–	–	–	–	–
	• Commission	–	–	–	–	–	–
	• Others, please specify	–	–	–	–	–	–
	Total (2)	–	–	–	–	–	–
	Total (B) = (1+2)	530,000	530,000	520,000	340,000	–	1,920,000
	Total Managerial Remuneration (A +B)						49,964,700
	Overall Ceiling as per the Act	Within the overall limit of 1% of the Net Profits of the Company					

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	1,699,071	7,042,668	8,741,739
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	273,805	1,905,905	2,179,710
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	–	–	–	–
2	Stock Option *	–	Cost included in 1(b) above		
3	Sweat Equity	–	–	–	–
4	Commission as % of profit others, specify	–	–	–	–
5	Others, please specify	–	–	–	–
	Total	–	1,972,876	8,948,573	10,921,449

*The perquisite value towards stock options includes the difference between the exercise price and market price on the date of exercise. The same is not paid by the Company. This amounts to ₹ 273,805 for Company Secretary and ₹ 1,901,905 for CFO.

VII. Penalties / Punishment / Compounding of Offences:

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

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

Place : Mumbai

Date : 30th April, 2015.

Motilal Oswal
Chairman & Managing Director
DIN : 00024503

Nomination and Remuneration Policy

I. Introduction

Pursuant to Section 178 of the Companies Act, 2013 and clause 49 of the Listing Agreement, the Board of Directors of the Company shall constitute the Nomination and Remuneration/Compensation Committee comprising of at least three non-executive Directors out of which not less than one half are independent directors as required under Companies Act, 2013 and the Listing Agreement. The Chairman of the Company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration/Compensation Committee but shall not Chair such Committee.

This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement.

II. Objective

The Nomination and Remuneration / Compensation Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement. The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP and Senior Management. The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- 1.3. Formulation of criteria for evaluation of Independent Director and the Board.
- 1.4. To evaluate the performance of the members of the Board.
- 1.5. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 1.6. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.8. To devise a policy on Board diversity

III. Definitions

- “Board” means Board of Directors of the Company.
- “Company” means “Motilal Oswal Financial Services Limited.”
- “Independent Director” means a director referred to in Section 149(6) of the Companies Act, 2013.
- “Key Managerial Personnel” (KMP) means
 - (i) Chief Executive Officer or the Managing Director or the Manager,
 - (ii) Company Secretary,
 - (iii) Whole-time Director,
 - (iv) Chief Financial Officer and
 - (v) Such other officer as may be prescribed.
- “Nomination and Remuneration/Compensation Committee” (NRC) shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Listing Agreement.

- Policy or This Policy” means Nomination and Remuneration Policy.
- Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes prerequisites as defined under the Income-tax Act, 1961.
- Senior Management” means personnel of the Company who are members of its core management team excluding Board of Directors and including all members of management one level below the executive directors, including all the functional heads.
- Members of management one level below the executive directors” means the members who are directly reporting to the Executive Directors.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them herein.

IV. Role of the Committee

The role of the Committee inter alia will be the following:

- a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) Formulate criteria for evaluation of Independent Directors and the Board.
- c) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- d) To carry out evaluation of every Director's performance.
- e) To recommend to the Board the appointment and removal of Directors and Senior Management.
- f) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- g) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- h) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- i) To devise a policy on Board diversity.
- j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

V. Membership of the Committee

- a) The Committee shall comprise of at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent. The Chairman of the Company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration / Compensation Committee.
- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- c) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- d) Membership of the Committee shall be disclosed in the Annual Report.
- e) Term of the Committee shall be continued unless terminated by the Board of Directors.

VI. Chairman

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration / Compensation Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

VII. Frequency of Meetings

The meeting of the Committee shall be held at such regular intervals as may be required.

VIII. Minutes of Committee Meeting

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee Meeting will be tabled at the subsequent Board and Committee meeting.

IX. Committee Members' Interests

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

X. Voting

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

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

• Appointment criteria and qualifications:

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

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

• Term / Tenure:

1. 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.
2. 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 Companies Act, 2013, 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 Companies Act, 2013 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.

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

- **General:**

1. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person.
4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

- **Remuneration to Managerial Person, KMP and Senior Management:**

1. **Fixed pay:**
Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, 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.
2. **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.
3. **Minimum 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 Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.
4. **Provisions for excess remuneration:**
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 Companies Act, 2013 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:**

1. 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.

2. Sitting Fees:

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

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. 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.

XIII. Guiding Principles

The Policy ensures that

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

XIV. Deviations from this Policy

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

XV. Review and Amendment

- i. The NRC or the Board may review the Policy as and when it deems necessary.
- ii. The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.
- iii. This Policy may be amended or substituted by the NRC or by the Board as and when required.

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

Place : Mumbai

Date : 30th April, 2015.

Motilal Oswal
Chairman & Managing Director
DIN : 00024503

Early signs of recovery visible; but a lot still needed for ‘Achhey Din’ to truly arrive!

FY2015 saw the Union Elections deliver a decisive mandate - the first-ever after 30 years. Following its success in the Union Elections, the NDA registered wins in several State Elections, strengthening its mandate further for enactment of reforms. The year FY2015 also witnessed softening of the global commodity prices, which gave a huge and unexpected relief to commodity importers like India.

The Election mandate fuelled optimism over the movement in the governance process, which had stalled under the previous coalition. The government has taken initial steps within the challenging environment it inherited. It is using the ‘Ordinance’ route with serious intent to push reforms in key sectors like insurance, minerals auctions, land acquisition, etc. Quite a few ordinances have been issued so far. Infrastructure connectivity, smart cities and industrial corridors are getting a big push, as are technology and digital initiatives. The ‘Make In India’ campaign is a serious effort to boost manufacturing activities, and hence job creation in the country. Online environmental clearances are being initiated. A number of stalled projects have started moving following faster project clearances. The government is now pushing for projects under the EPC route, rather than the PPP route, given the implementation challenges the PPP model faced in recent years. Allowing 100% FDI in railway infrastructure, increase in allowable FDI in defense and plans for several roads, transmission, airport projects are other key initiatives. The Hon’ble Prime Minister has taken initiatives himself to pitch India as an investment destination by visiting key countries like Japan, USA, Australia, Canada, Germany, France, China etc.

Lower global commodity prices helped WPI inflation move south, as manufacturing comprises a large weight in WPI. Impact of commodity prices into CPI inflation may be muted, since local factors like food and services comprise a larger weight within CPI. The government is focusing on food inflation through administrative measures, including lower MSP hike, release of stocks and restrictions on exports. The lower import bill, especially of crude, helped reduce the trade and current account deficits. RBI’s forex reserves moved north consequently. An improved public finance owing to lower import payouts bodes well for the fiscal deficit, which hung as a Sword of Damocles over the Indian economy in earlier years. These developments furthered the call for interest rate cuts, a precursor to spur the investment cycle and economic growth. January and February 2015 saw successive rate cuts. If inflation sustains at low levels, then it may eventually result in further cuts, which would revive the investment cycle.

This scenario renewed investors’ optimism into Indian equities. At a time when there are fears that the Chinese engine is slowing down, Russia is facing geo-political challenges, Brazil has been hit by the commodity slump, Europe is battling stagnation, US recovery is still slow and many Frontier Markets are seeing internal security challenges, India suddenly looks relatively attractive.

There are challenges. The mandate the NDA won in the Lower House in the Parliament still does not translate into a majority in the Upper House. This may impact the speed of legislations. US Federal Reserve’s tapering is a worry. Sluggish exports due to delayed economic recovery in major export markets, as well as tackling Chinese competition in new export markets, are also challenges. FDI is yet to pick up in a big way, as long-term strategic investors remain in wait-and-watch mode while they check the speed of reforms.

Also, the optimistic economic environment is yet to translate into corporate earnings growth. As the effect of global commodity prices and possible interest rate cuts eventually translates into lower input and borrowing costs, it should lead to an uptick in operating leverage, earnings and profit margins of companies. As the investment cycle picks up following reforms, capital raising activities should also receive a boost. That would help drive primary market activity, and act as an entry point for new investors into the markets.

The overall scenario looks optimistic, although a lot is still needed for “Achhey Din” to truly arrive for India. The new government inherited an economy in crisis - the winner’s curse. However, it is taking decisive steps, which should help give clarity to the business community and boost economic activity. Once that happens, investor sentiments and market participation will improve even further.

The Equity Markets in FY2015

The benchmark Nifty was up 26.65% YoY in FY2015 (21.61% YoY in USD terms). Bulk of the returns came during the first quarter, as expectations built around the Elections and then immediately following the decisive results. The subsequent quarters saw the returns taper, as markets awaited a revival in business cycle and improvement in corporate earnings. Short-term returns (3-Month) were marked by heightened volatility, which picked up in Q4FY2015 vs. previous quarters. Nifty’s average P/E in FY2015 was 21.08x, with an increasing trend since the Elections. This is up from the 5-Year historical average of 19.73x. CNX Midcap’s average P/E in FY2015 was 18.59x, up from the 5-Year average of 17.15x. The gap between the large-cap and mid-cap indices had broadened in the immediate months after the election results, but has been closing since Jan 2015 onwards. As and when corporate earnings pick up, valuations should re-rate. But despite tapering returns, FIIs and domestic investors still clocked strong net inflows into equities during that period.

On a relative basis, the Nifty outperformed leading benchmarks (of both Emerging and Developed Markets) in US\$ terms on both the 1-Year basis and 10-Year basis. However, it underperformed them on a 3-Month basis. Despite the short-term volatility, the long-term scenario looks strong due to expectations from the new government and challenges confronting competing Emerging Markets like China, Brazil, Russia, etc. India also outperformed the Frontier Markets index across all the time-periods, indicating that India remains a much stronger economic story in comparison to the Frontier Markets.

NSE market capitalization stood at ₹ 99.30 tn, as of 31st March, 2015. This was up 36.45% for the year (up 31.02% in USD terms). The long-term growth in the overall market capitalization remains strong, with the 10-Year CAGR at 20.14% (up 15.91% in USD terms). In terms of the broader market, the CNX mid-cap and small-cap indices saw an uptick in the third quarter of the fiscal year. This indicates that investor activity moved to those scrips with a lag of roughly two quarters as compared to the Nifty, which had appreciated the most in the first quarter. In fact, the uptick in small-caps specifically continued into the fourth quarter as well.

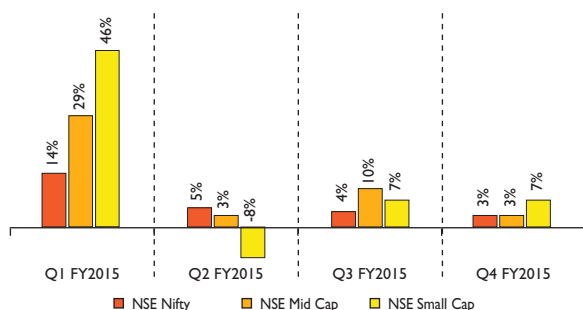
NSE Nifty outperformed major Emerging Market and Developed Market peers in the long-term, except China. In the short-term, India's returns lagged most peers as markets turned volatile.

**Benchmark Indices Performance as of 31st March, 2015
(in US Dollar Terms)**

Source: Bloomberg

The large-cap index, Nifty, saw maximum appreciation in the first quarter, while the mid-cap and small-cap indices followed with a lag of ~2 quarters, i.e. from the third quarter onwards.

Quarter-wise Returns of NSE Indices across Market-Cap categories



Source: NSE

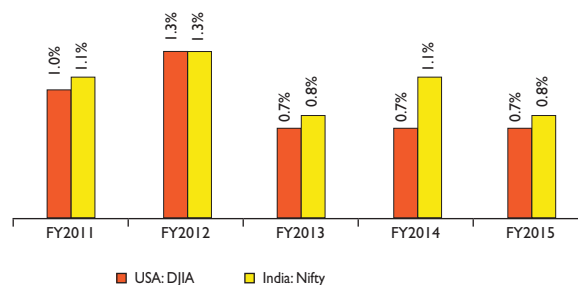
Average P/E of Nifty and Midcap indices have risen from their historical averages, ever since the Elections period. The gap between them has also reduced since January 2015 onwards.

Historical P/E Ratios of Nifty and Midcap benchmarks

Source: NSE

NSE Nifty's volatility has reduced from FY2011 onwards, as compared to years prior to that. However, it has remained within a range between FY2013 to FY2015.

Volatility (Standard Deviation) of benchmark indices



Source: NSE, Yahoo Finance

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. The company's standalone operations have two critical elements:

- (i) Build on a financing infrastructure that can best customize risk adjusted products, have simple and compliant documentation, and prompt loan approval procedures; and

(ii) A strong structure in place that can most efficiently source funds and manage resources.

There is a clearly defined set of procedures for evaluating the creditworthiness of customers that extends from initial evaluation to loan approval. Funds are advanced after due process of evaluation and upon providing the necessary documentation. A lot of emphasis is placed on tailoring finance to customer needs. MOFSL's objective is to ensure appraisal and disbursement within the shortest possible time, without compromising on asset quality. During the year, Crisil Limited reaffirmed the Credit Rating of "CRISIL A1+" to the Commercial Paper Programme of ₹ 4.00 bn of the Company. ICRA Limited assigned the credit rating of "[ICRA] AA" Rating with a stable outlook to the NCD Programme of ₹ 1.50 bn of the company. Crisil Limited also reaffirmed the Credit Rating of "CRISIL A1+" to the Commercial Paper Programme of ₹ 3.00 bn of Motilal Oswal Securities Limited, a subsidiary of the Company. The ratings indicate a very strong degree of safety regarding timely servicing of financial obligations.

Besides the financing business directly carried out through MOFSL, we offer a range of products and services such as Broking and Distribution, Institutional Equities, Wealth Management, Investment Banking, Private Equity, Asset Management and Housing Finance through various subsidiaries:

Sr. No.	Name of the Company	Business	MOFSL's Shareholding
1	Motilal Oswal Securities Limited (MOSL)	Stock Broking (Institutional & Retail)	100.00%
2	Motilal Oswal Investment Advisors Private Limited (MOIAPL)	Investment Banking	100.00%
3	MOPE Investment Advisors Private Limited (MOPE) (Formerly Motilal Oswal Private Equity Advisors Private Limited)	Private Equity Management and Advisory	85.00%
4	Motilal Oswal Asset Management Company Limited (MOAMC) (a subsidiary of MOSL)	Mutual Funds, PMS, Offshore Funds	100.00%*
5	Motilal Oswal Commodities Broker Private Limited (MOCBPL)	Commodities Broking	100.00%
6	Motilal Oswal Insurance Brokers Private Limited (MOIBPL)	Insurance Brokers	99.67%
7	Motilal Oswal Capital Markets Private Limited (MOCMPL) (a subsidiary of MOSL)	Stock Broking (membership of NSE)	100.00%*
8	Motilal Oswal Wealth Management Ltd. (MOWML) (Formerly Motilal Oswal Wealth Management Private Limited) (a subsidiary of MOSL)	Wealth Management	100.00%*
9	Motilal Oswal Trustee Company Limited (MOTC) (subsidiary of MOSL)	Trustee to Mutual Fund	100.00%*
10	Motilal Oswal Securities International Private Limited (MOSIPL) (subsidiary of MOSL)	US broker-dealer license from FINRA	100.00%*
11	Motilal Oswal Capital Markets (Hong Kong) Private Limited (MOCMPL (HK)) (subsidiary of MOSL)	Type 4 license in Hong Kong - Advice on Indian equities to Professional Investors in Hong Kong	100.00%*
12	Motilal Oswal Capital Markets (Singapore) Pte Limited (MOCMPL (SP)) (subsidiary of MOSL)	Exempt Financial Advisor Status in Singapore - Advice on Indian equities to Accredited Investors	100.00%*
13	Aspire Home Finance Corporation Limited (AHFCL) (a subsidiary of MOSL)	Housing Finance	99.99%*
14	Motilal Oswal Real Estate Investment Advisors Private Limited (MOREIAPL) (a subsidiary of MOPE)	Real Estate Investment Advisory Services	76.50%**
15	Motilal Oswal Real Estate Investment Advisors II Private Limited (MOREIAIPL) (a subsidiary of MOREIAPL)	Real Estate Investment Advisory Services	68.85%***
16	India Business Excellence Management Company (a subsidiary of MOPE)	Private Equity Management and Advisory	85.00%**
17	Motilal Oswal Asset Management (Mauritius) Private Limited (subsidiary of MOAMC)	Offshore Funds	100.00%****

* through MOSL; ** through MOPE; *** through MOREIAPL; **** through MOAMC

Business streams

Business Stream	Primary products and services
Broking & Distribution	Equity (cash and derivatives) broking, 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
Private Equity	Private Equity investment management and advisory, Real Estate investment management and advisory
Asset Management	Portfolio Management Services, Mutual Funds, Offshore Funds
Wealth Management	Professional Money Managers, Trading, Alternate Assets, Credit solutions, Wealth Transmission, Specialized and Ancillary advisory services
Home Finance	Housing Finance

Broking Business

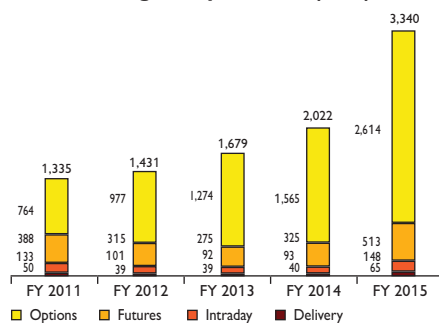
Industry Facts

Equity market average volumes (ADTO) reached ₹ 3.34 tn in FY2015, up 65.16% YoY. All participant segments registered significant growth during the year, buoyed by the retail segment. Cash market volumes grew 60.81% to ₹ 213.35 bn, which is only ~6% lower than its all-time high of FY2010. Within this, cash delivery was up 62.87% YoY to ₹ 65.09 bn, and it reached its all-time high since the last 8 years. Cash intraday was up 59.92% YoY to ₹ 148.26 bn, futures were up 58.03% YoY to ₹ 513.25 bn and options were up 67.01% YoY to ₹ 2.61 tn. This is a reversal from recent years, when it was the options segment which solely led the overall volume growth. In terms of the MoM trend in cash volumes during the year FY2015, the lowest it clocked was around ~₹ 180 bn levels. This, in itself, is way higher than the overall cash volumes seen in recent years, which is an encouraging sign. The other aspect is that, despite the MoM returns in the benchmark indices being volatile, the cash volumes have held above these levels throughout the year.

Amongst cash market participants, the uptick was led by a 72.81% YoY growth in retail and a 50.04% YoY growth in institution. Retail investors, who had slipped into a cocoon in recent years, showed renewed faith in equities this year both through direct equity investments and through equity mutual funds. The proportion of retail within cash volumes increased from 46.86% to 50.36% YoY correspondingly. However, retail cash volumes still remain ~17% lower than its previous peak of FY2010. Institution cash volumes were ~35% higher this year than its past peak of FY2008, as FII continued their net inflows into equities.

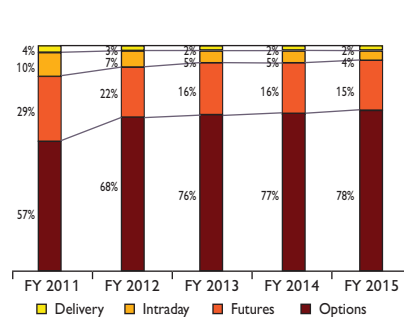
As primary market activity largely dried up in recent years, the incremental number of demat accounts on a YoY basis also reduced. FY2015 saw a slight uptick in new demat accounts created, as some retail investor interest revived this year. As and when further IPOs line up, the surge in incremental demat accounts should ideally be more significant.

Average Daily Volumes (₹ Bn)



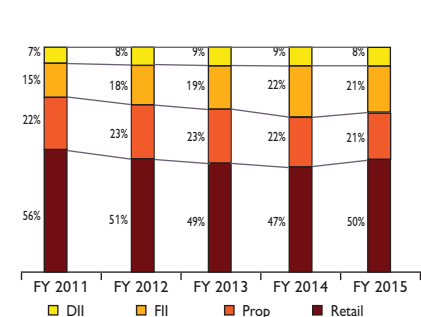
Source: BSE, NSE

Segment-wise Overall ADTO Proportions



Source: BSE, NSE

Participant-wise Cash ADTO Proportions

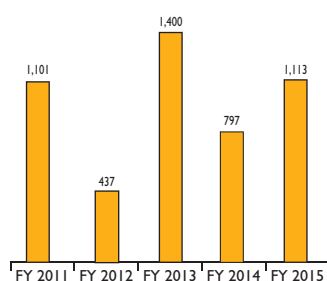


Source: BSE, NSE

Net inflows from FII's spiked up around the Elections as optimism built up, but tapered in subsequent months. However, there has been a revival in net flows from January 2015 onwards. While DIIs saw net outflows in FY2015, its quantum has been shrinking over the last 3 years. Q3FY2015 actually saw net inflows, the first-time since 11 successive quarters. Even February and March 2015 saw net inflows, which is encouraging.

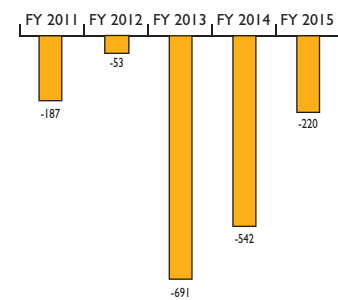
In terms of consolidation of NSE cash market volumes amongst the top brokers, consolidation of volumes within the Top-25 members reduced in FY2014. Instead, it is the proportion of volumes within the Next-75 brokers that actually increased in FY2014, indicating they also gained some of the incremental volume flows that came into the markets.

FII net inflows into equities (₹ Bn)



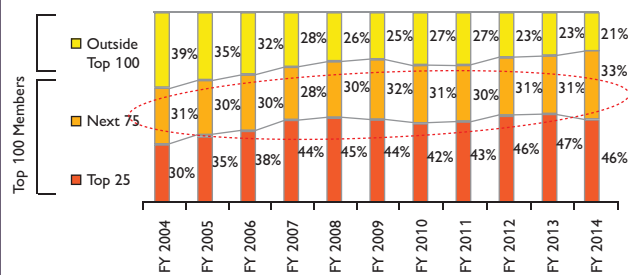
Source: SEBI

DII net inflows into equities (₹ Bn)



Source: BSE, NSE

% Cash Turnover by top 'X' Members in NSE



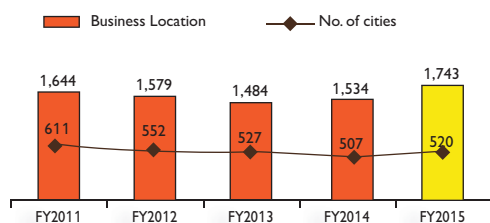
Source: NSE, SEBI

Our Broking Business

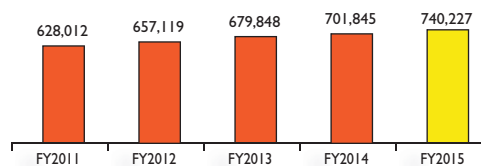
Research and advisory form the foundation of the company's broking services. Brokerage serves participants across FII's, domestic institutions, HNIs and retail. This business comprises of two distinct units - Retail Broking & Distribution and Institutional Equities.

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

Number of business locations and cities



Retail broking and distribution clients



As of 31st March, 2015, Motilal Oswal Securities Ltd (MOSL) had over 740,000 retail broking and distribution clients with over 660,000 having depository accounts. The run-rate in retail client addition was stronger this year, as compared to recent years. The distribution network stood at 1,743 locations across 520 cities, including 55 own-branches. The company added to its footprint this year, across both branches and franchisees. The focus remains on building good quality locations and a robust distribution network.

MOSL was awarded the Best Performing National Financial Advisor - Equity Broker at the UTI-CNBC TV18 Financial Advisor Awards for the fourth year in a row, which vouches the superior quality of the company's broking and advisory services. MOSL also won accolades at the Research Bytes IC Awards 2014.

Our commitment towards superior technology tools continued with the introduction of the new trading platform - OrionLite, the new mobile trading app - MAST and the Portfolio Check tool for mutual funds. The OrionLite trading platform integrates equity, derivatives, commodity and currency segments with decision-making tools, high-speed trading at low bandwidth, customized dashboard, advisory, AMO (after market orders), etc. MAST (Multi Asset Smart Trading) mobile trading application is an integrated

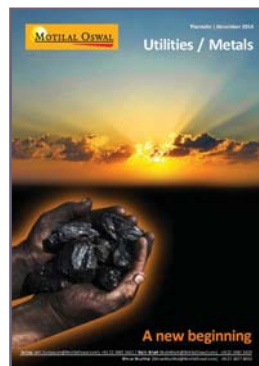
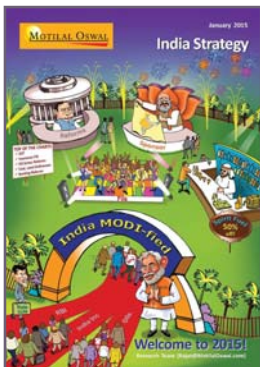
MANAGEMENT DISCUSSION AND ANALYSIS (Contd..)

platform which lets clients execute trades, track portfolios, view research and advisory, personalize dashboards, AMO, etc. The Portfolio Restructuring tool for mutual funds offers model advisory portfolios, holdings analysis, actionable recommendations and flexible upload for 'held-away' portfolios. The CRM application saw significant developments to enhance Sales and Advisory productivity. The Online Account Opening website was also revamped to make it more intuitive, and improve information access, visual content and ecommerce functions.

During the year, MOSL set up STIR (School of Trading and Investing Research). This is an initiative to train retail and HNI clients on different facets of trading and investing so that they are well informed before investing. Investor education is an imperative in India since the knowledge level of financial markets is still poor. The company also conducted regular workshops for sub-brokers, covering aspects like preparing for the next bull-run, client acquisition, customer satisfaction, using technology as a revenue multiplier, etc.

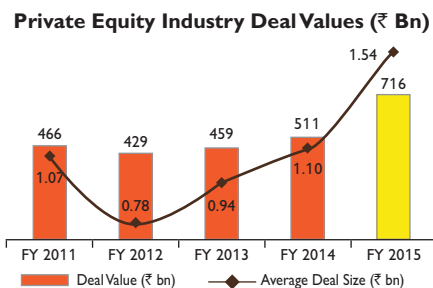
'The Man from Motilal Oswal' was the advertising theme this year. It is a physical manifestation of our broking services. The approach was to use this recognizable character to address the barriers and connect investor behavior to long term equity investing.

Institutional Broking: The company offers Institutional Broking services in cash and derivatives segment to a large institutional clientele in India and abroad. It was ranked Best Local Brokerage (India) for Trading & Execution by Trade Asia Poll 2014. As on 31st March, 2015, we were empanelled with 582 institutional clients. A number of key FI and DII clients were empanelled during the year. The research team consisting about 30 analysts covers 230 companies across 20 sectors, and provides a complete bouquet covering Thematic, Sectoral and Company updates. There was a ramp-up in stocks under coverage, as compared to the previous year. Traction in analyst and corporate roadshows across regions were also seen during this year. In terms of corporate access, the company conducted the 10th Annual Global Investor Conference in Mumbai in 2014. Almost 110 companies interacted with over 700 global investors, resulting in 3,600+ company - investor meetings. A Financial Deep Dive event was also arranged with business heads from leading BFSI companies. A number of mini-conference formats were also conducted. Registrations have been done in Hong Kong (Type 4 license), Singapore (Exempt Financial Advisor) and USA (Broker-Dealer license) to cater to advisory business opportunities for Indian equities for clients in those geographies.

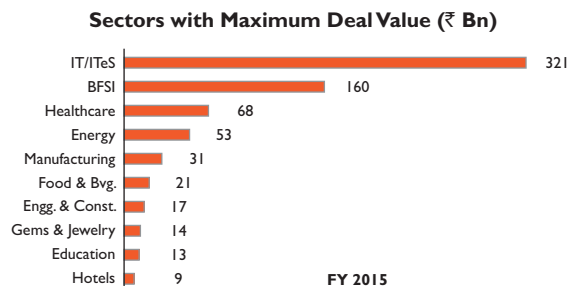


Private Equity

Industry Facts



Source: Venture Intelligence



Private equity deal values picked up this year to ~₹ 715.67 bn, after hovering around the ~₹ 450-500 bn range since the last four fiscal years. The average deal value showed a more significant spike, moving up to ~₹ 1.54 bn from an average ~₹ 1.00 bn during the last four years. Flipkart and Snapdeal were big-ticket deals that contributed to the spike in average deal value. Flipkart raised ~₹ 116.79 bn in 3 deals from Tiger Global, Morgan Stanley, Accel, GIC, Qatar Investment, etc, while Snapdeal raised ~₹ 48.12 bn in 3 deals from Softbank, Premji and Temasek. If they are excluded, then the total deal value would be ~₹ 550.75 bn and the average deal value would be ~₹ 1.20 bn.

The impact of these big-ticket deals this year can be seen by the fact that IT/ITeS comprised a larger share of the deal value in FY2015 vs FY2014. IT/ITeS and BFSI sectors dominated in terms of maximum deal values this year, followed by healthcare, energy, manufacturing, etc. Foods, education and hotels also featured amongst the Top-10 sectors with maximum deal values this year, although they had recorded only minor values in the previous year. These included deals like Manipal Education-Premji Invest, Devyani International-Temasek, Varun Beverages-IFC, Sula-Reliance, Vatika-Goldman Sachs, etc. Similarly, media, textiles and diversified industrials which had featured amongst the Top-10 sectors by deal value last year, did not make the cut this year. Exits remain a challenge, and secondary exits continue to dominate as the preferred route of exit for PE funds.

Our Private Equity Business

MOPE Investment Advisors manages two funds each, in the growth capital and the real estate spaces. It focuses on themes that may benefit from structural changes like domestic consumption, domestic savings, infrastructure, etc.

The India Business Excellence Fund (IBEF) is a growth capital fund which raised AUM of ~US\$ 125.00 mn from investors in India and overseas. It is fully committed across 13 companies. It has partially exited from 2 holdings and fully from 2 holdings so far. The fund has returned approximately 60.00% of capital to its investors. The India Realty Excellence Fund (IREF) is a real estate fund with AUA of ~₹ 2.00 bn. IREF has made investments across 7 deals. Following full/partial exits from 6 projects till date, the fund has returned approximately 78.50% of capital to its investors. India Business Excellence Fund-II (IBEF II) is the second growth capital fund which raised AUM of ~₹ 9.54 bn from investors in India and overseas. This includes some marquee institutional investors. This fund is currently evaluating several investment opportunities and has made 6 investments so far. India Realty Excellence Fund II (IREF II), the second real estate fund, has raised commitments of ₹ 4.54 bn as of 31st March, 2015. This fund has made 4 investments so far.

Asset Management

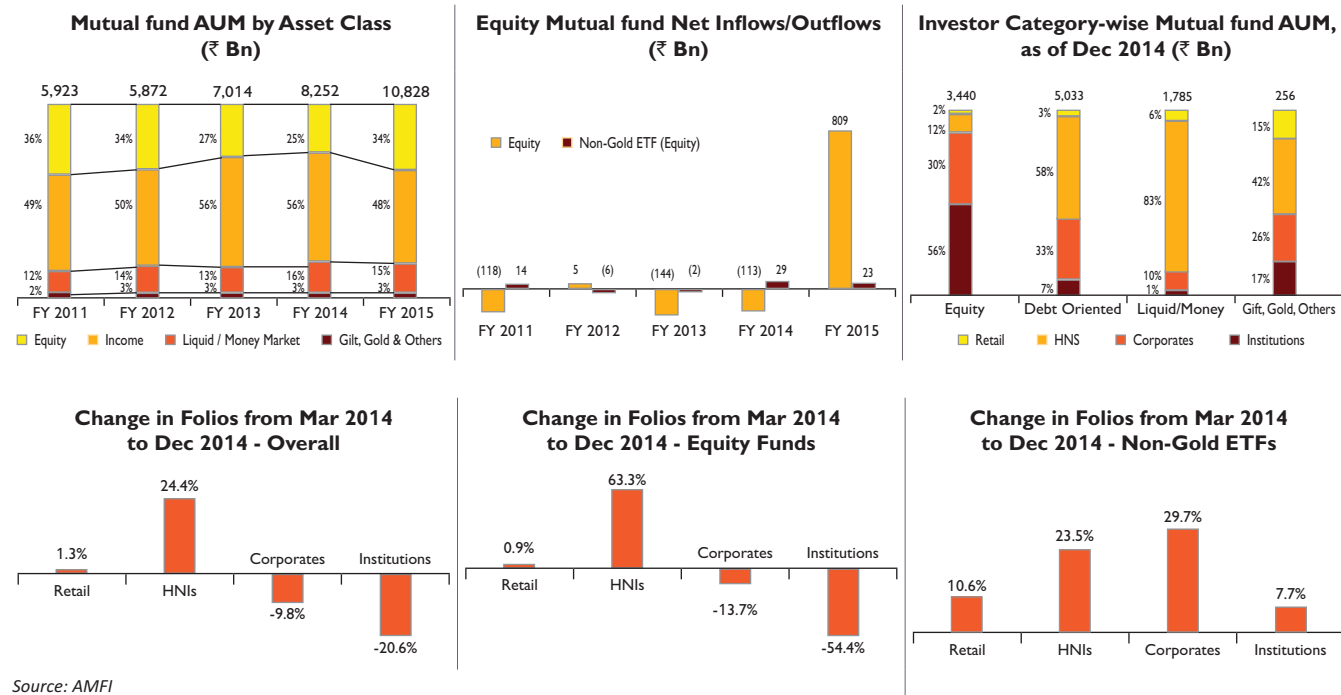
Industry Facts

Overall mutual fund AUM was up 31.21% YoY to ₹ 10.83 tn in FY2015. The year saw a revival in equity mutual funds. Moreover, this revival is not only limited to equity funds, but also to equity ETFs. Equity funds AUM were up 78.70% YoY to ₹ 3.72 tn, and its proportion within the mix increased from 25.19% to 34.31%. Non-gold ETFs AUM showed traction at 78.00% YoY, although in absolute amount it still comprises a mere ₹ 80.60 bn. Liquid funds were up 21.97% YoY to comprise 15.01% of overall AUM, while Income funds were up 11.96% YoY to make 47.64% of the mix. Amongst others, Gilt funds also showed traction, at 138.99% YoY.

FY2015 saw high net inflows into equity mutual funds after several dry years, which helped expansion of assets under management. All four quarters of the year clocked positive net flows on the back of renewed investor interest, a reversal after nine successive

quarters of net outflows. Moreover, the quantum of net inflows has held around the ~₹ 240 bn range in the last three quarters of the year. However, while the inflows into equity mutual funds were higher in FY2015, the quantum of redemptions was also higher. Redemptions from equity mutual funds were ₹ 827.33 bn in FY2015 vs an average ~₹ 600 bn seen over the last three years. This indicates that a number of existing investors used the current market rally as an opportunity to exit their holdings.

In terms of investor-categories, it is HNI folios which increased the most within equity mutual fund folios this year, as compared to pure retail folios (HNIs is defined as individuals who invest ₹ 0.50 mn and above). Between March 2014 and December 2014, HNIs clocked the maximum growth in incremental folios in equity mutual funds, at 63.30%, followed by retail at 0.88%. In Non-gold ETFs, corporate treasuries also evinced interest with a 29.75% YoY growth in folios, followed by HNI and retail folios which grew 23.51% and 10.56% respectively. At an overall level, HNI investors clocked the maximum growth in incremental folios at ~24.42%, followed by retail investors at 1.33%.

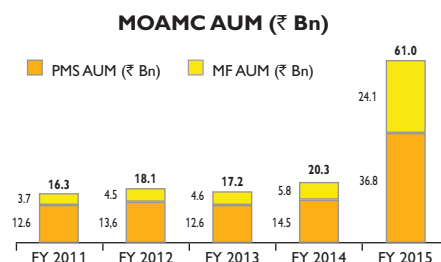


Source: AMFI

Our Asset Management Business

Motilal Oswal Asset Management (MOAMC) operates PMS and mutual funds. Mutual funds are based across the market capitalization spectrum and on innovative investment strategies. Our mutual fund AUM was up almost 4x on a YoY basis, from ₹ 5.82 bn to ₹ 24.15 bn. The open-end mutual fund bouquet comprised the major chunk with an AUM of ₹ 21.03 bn. AUM benefited on the back of increased mobilization and portfolio performance this year. During the year, MOAMC launched 2 new open-end funds - Focused Multicap 35 fund and the Long Term ELSS fund, both based on our QGLP philosophy.

QGLP is MOAMC's investment philosophy, a unique and focused investment process which has helped MOAMC identify several multibaggers. Q denotes Quality of the business and management, G denotes Growth in earnings and sustained ROE, L denotes Longevity of the competitive advantage or economic moat of the business, and P denotes buying a good business for a fair price rather than buying a fair business for a good price. Both the new funds were well accepted by the investor fraternity. The four open-end mutual funds accounted for a major chunk of mobilization this year, apart from the Midcap 100 ETF.



Our PMS AUM was also up almost 2.5x on a YoY basis, from ₹ 14.49 bn to ₹ 36.83 bn. The PMS product has been empanelled as an approved product across channels like banks, wealth platforms, national distributors and IFAs, and these large distributors have shown results this year through mobilizations. During the year, we partnered with a few more large distributors in the country.

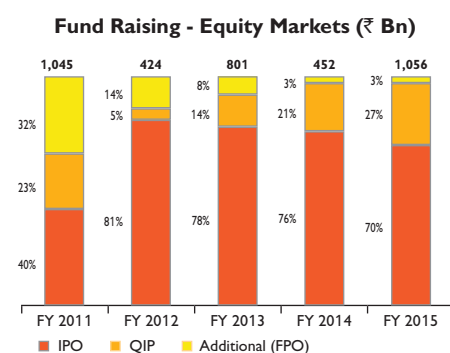
MOAMC is exploring the offshore asset management business to reach out to global institutional investors. Motilal Oswal Asset Management (Mauritius) Pvt. Ltd. was incorporated in Mauritius this year, with necessary approvals received from Indian and Mauritian regulators. This will manage the India Zen Fund, a long-only-bottom-up equity fund specializing in India securities.

During the year, MOAMC complied with SEBI's minimum net worth requirement of ₹ 500.00 mn, within a month of their notification. It also organized the 4th Value Investing Forum on 'Investing in Equities: Challenges & Opportunities for Intermediaries'.

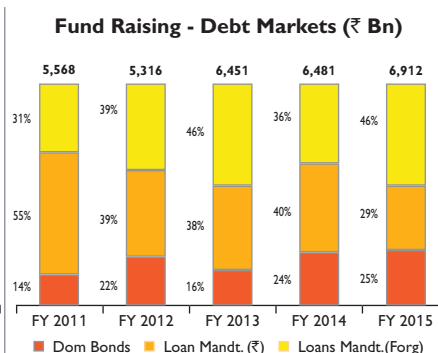
Investment Banking

Industry Facts

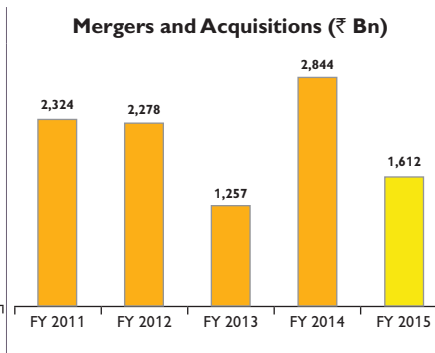
Investor sentiments improved this year following the decisive mandate for the government, who fought elections on the promise of streamlining regulatory environment to support growth. Its initial announcements to rationalize taxation, resource allocation, land acquisition, manufacturing focus, aided by falling commodity prices and resultant favourable inflation metrics, augur well for expected uptick in investment banking activity. Banks have also taken stiff stance in respect of resolution of NPAs which will encourage M&A, capital raising etc. Deal pipeline creation and execution saw some improvement, as compared to recent years. Few IPOs and QIPs hit the markets as some companies started looking to raise capital. However, the main YoY uptick in ECM volumes this year was due to the Additional segment (OFS, FPO, etc). DCM volumes were also up slightly YoY, mainly due to increased domestic bond issuances. M&A activity remained largely damp this year, as companies preferred to remain in watch-and-wait mode. The United Spirits deal was the notable deal during the year. However, while deal activity is gaining momentum and investor sentiments towards India remain favourable, the expectation is to see more concrete resolution of issues. As the policy environment improves further, it will offer more clarity to the business community and primary market activity should take off in a big way.



Source: Bloomberg League Tables



Source: Bloomberg League Tables



Source: Bloomberg

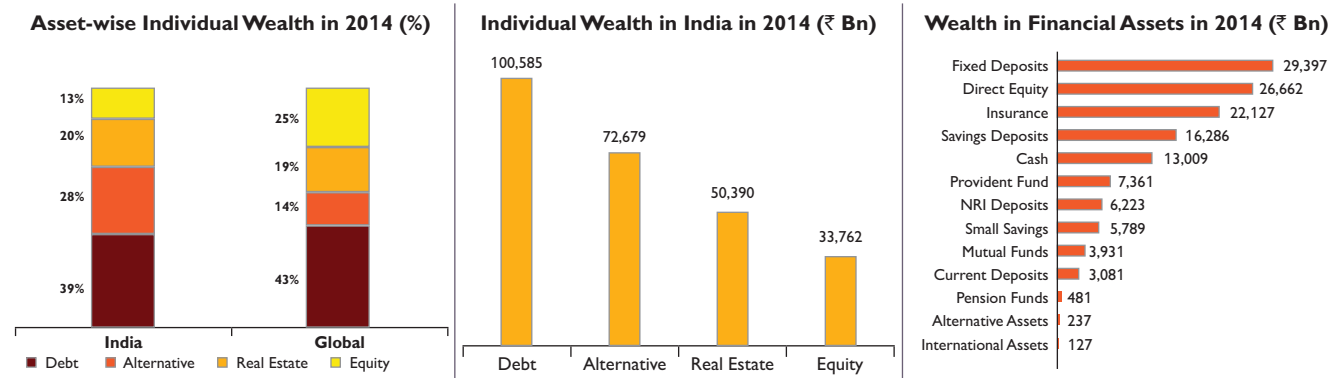
Our Investment Banking Business

Motilal Oswal Investment Advisor's (MOIAPL) deal pipeline remained healthy with transaction execution at various stages of completion. A strong team is now in place to tap opportunities in the equity capital markets space (IPOs, QIPs, etc). The buoyancy in the capital markets this year resulted in a number of listed companies considering equity capital raising. The team is working with various corporates and banks to assist in capital raising and structuring to support the favourable outlook. The notable transactions include the QIP for Yes Bank and divestiture of stake in NCDEX, apart from QIPs for DHFL and Siti Cable.

Wealth Management

Industry Facts

As per the Karvy Wealth Report 2014, the wealth held by Indian individuals in financial assets has grown at a CAGR of approximately ~13% in the last 5 years. This is during a period when the economy itself has performed way below expectations. With the growth in the Indian economy expected to take-off on the back of macro-economic revival and policy initiation, we may expect a bull-cycle to hit the markets. That should augur well for individual wealth, which should grow at an even higher rate as compared to last 5-year CAGR. Resultantly, the Karvy report expects individual wealth to double over the next 5 years.



Source: Karvy Wealth Report 2014

Our Wealth Management Business

During the year, our Wealth Management assets picked up from ~₹ 23.99 bn as of 31st March, 2014 to ~₹ 41.02 bn as of 31st March, 2015. Asset mobilization saw continued traction following a revival of investor interest from HNI clientele. Back in FY2014, we had introduced our new advisory proposition based on comprehensive risk profiling and advice which could be objectively tracked. In FY2015, we focused on operational improvements like client segmenting, streamlining processes and internal synergies, which showed positive results. The PWM business had 40 Relationship Managers as of 31st March, 2015, and the business turned significantly profitable this year.

Housing Finance

Affordable Housing Finance: A Promising Opportunity

Most of the housing development so far has largely targeted the high/mid-income population, and there remains a glaring gap between supply and demand for the mid / low-income and informal sector population - the affordable home segment. Affordable housing roughly refers to dwellings of 250-800 sq ft area and below a price level of ~₹ 2.5 mn. While the Government estimates the national housing shortage at ~19 mn, Monitor Inclusive Markets pegs the shortage at ~22 mn for budget homes priced between ₹ 0.3 - 1 mn and ~5 mn for homes priced between ₹ 1 - 2.5 mn. The sizable inventory that is expected to come up in coming years in this segment indicates a significant opportunity exists in this space for HFCs. Affordable housing finance is also a focus area of the Government now, given its objective of financial inclusion. Recent Budgets stress this commitment, with measures including ECBs for affordable housing projects, special refinancing schemes of NHB, interest deduction of ₹ 0.1 mn on loans up to ₹ 2.5 mn, credit risk guarantee fund scheme and Rajiv Awas Yojna subsidies.

Our Housing Finance Business

During FY2015, we had invested into building a new housing finance company - Aspire Home Finance Corporation Limited. It has exclusive focus on pure retail housing loans within the affordable housing segment. Aspire commenced business in FY2015. In its first year, it sanctioned 4,740 applications amounting to ₹ 5.22 bn, and recorded cumulative disbursements of ₹ 3.59 bn at a weighted average yield of 13.40%. It provided housing finance assistance to 3,565 Indian families, and the loan book stood at ₹ 3.57 bn. In line with its vision of providing long term housing finance to the target Low-Mid Income segment, Aspire's average ticket size is

₹ 1.01 mn. Aspire is now present across 14 locations in Mumbai (Virar, Kalyan, Panvel), Akola, Nashik, Nagpur, Pune, Indore, Bhopal, Ahmedabad, Rajkot, Surat and Hyderabad covering states of Maharashtra, Madhya Pradesh, Gujarat and Telangana.

Aspire's core lending platform enables end to end processing of applications through technology, which serves as the backbone of the business operations. Strong risk assessment practices have been set up at every stage of loan processing. Aspire has been rated "CRISIL A+ / Stable" for ₹ 2.50 bn of bank loan facilities and "CRISIL A+ / Stable" for ₹ 3.00 bn of non-convertible debentures. It has also been rated "ICRA A1+" by ICRA for short term borrowings / commercial paper of ₹ 1.50 bn. Aspire is managed by a team of professionals possessing strong experience in Indian housing finance market, and is headed by Mr Anil Sachidanand, a veteran of over 25 years in Indian home finance industry. As of 31st March, 2015, the business had 160 employees.

Opportunities and Threats

Opportunities

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

Threats

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

Strengths

• Strong Brand Name

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

• Experienced Top Management

The promoters, Mr. Motilal Oswal and Mr. Raamdeo Agarawal are qualified chartered accountants with over 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 - 1,743 Outlets across 520 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 1,743 business locations operated by business associates or directly through own branches in 520 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 grow. 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, spread across approx 270,000 square feet. 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 for building 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+" to the Commercial Paper Programme of ₹ 4.00 bn of the Company. ICRA Limited assigned the credit rating of [ICRA] AA" Rating with a stable outlook to the NCD Programme of ₹ 1.50 bn of the company. Crisil Limited also reaffirmed the Credit Rating of "CRISIL A1+" to the Commercial Paper Programme of ₹ 3.00 bn of Motilal Oswal Securities Limited, a subsidiary of the Company. 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

Abridged Profit and Loss Account (₹ mn unless indicated otherwise) - Standalone

Particulars	2014-2015	% to Total Income	2013-2014	% to Total Income	Increase / (Decrease) %
Total Income	1,292.03	100.00	977.36	100.00	32.20
Total Expenditure (after operational, employee, administrative, depreciation and interest costs)	638.83	49.44	515.39	52.73	23.95
Profit before Exceptional Item	653.20	50.56	461.97	47.27	41.39
Exceptional Item: (Income) / Expense	0.00	0.00	12.95	1.32	nm
Profit Before Tax	653.20	50.56	449.02	45.94	45.47
Tax Expenses	48.30	3.74	55.94	5.72	(13.66)
Net Profit	604.90	46.82	393.08	40.22	53.89
Basic EPS (₹)	4.36		2.79		56.10
Diluted EPS (₹)	4.25		2.79		52.47

During the year under review, the standalone revenues for the year were ₹ 1.29 bn, a growth of 32.20% as compared to ₹ 977.36 mn last year. Within fund based income, the interest income declined by 2.95% to ₹ 657.44 mn. Dividend income from subsidiary companies was ₹ 415.44 mn, as compared to ₹ 279.46 mn in the previous year. This year also included profit of ~₹ 94 mn earned on partial exits in few investments of the Private Equity Fund in which MOFSL made sponsor commitments. Rent income was ₹ 81.90 mn in FY2015, up 128.46%. Other operating income was ₹ 3.35 mn in FY2015, while Other income was ₹ 4.89 mn.

Total expenses (before depreciation, interest and exceptional) increased during the year, from ₹ 242.08 mn a year back to ₹ 261.38 mn this year. Profit before depreciation, interest, exceptional item and taxation (EBITDA) increased by 40.17% this year, from ₹ 735.28 mn to ₹ 1.03 bn. Interest and finance charges increased from ₹ 190.09 mn to ₹ 295.78 mn, on account of higher borrowings in line with the long-term strategy to run the NBFC lending book as a spread business with borrowed funds.

Reported net profit increased by 53.89% to ₹ 604.90 mn.

MOFSL Standalone's commitments to our own mutual fund products stood at ₹ 2.33 bn, as of 31st March, 2015. The unrealized gain on these investments is ₹ 0.61 bn as of 31st March, 2015. The same is not reflected in the profit and loss account for the year.

Long-term investments increased to ₹ 3.57 bn, from ₹ 1.22 bn last year mainly on account of our investments in Motilal Oswal's mutual fund products. Current assets mainly comprise of stock in trade, cash and bank balances, and other current assets. As of 31st March, 2015, these increased to ₹ 5.47 bn, up from ₹ 4.60 bn last year. The cash and bank balances were ₹ 63.26 mn. Total loans and advances increased to ₹ 5.47 bn as of 31st March, 2015, from ₹ 4.60 bn a year back. Current liabilities principally consist of liabilities in respect of commercial paper. It increased to ₹ 3.30 bn as of 31st March, 2015, due to short term borrowings in commercial papers.

Consolidated Financials

Abridged Profit and Loss Account (₹ mn unless indicated otherwise) - Consolidated

Year Ended March 31	2014-2015	% to Total Income	2013-2014	% to Total Income	Increase/ (Decrease) %
Total Income	7,754.27	100.00	4,681.17	100.00	65.65
Total Expenditure (after operational, employee, administrative, depreciation and interest costs)	5,775.20	74.48	3,530.55	75.42	63.58
Profit before Exceptional Item	1,979.08	25.52	1,150.61	24.58	72.00
Exceptional Item Income / (Expenses)	0.00	0.00	(555.86)	(11.87)	nm
Profit Before Tax	1,979.08	25.52	594.75	12.71	232.76
Tax Expenses	523.28	6.75	179.24	3.83	191.95
Profit after Tax before Minority Interests	1,455.80	18.77	415.51	8.88	250.36
Minority Interests	19.80	0.26	20.51	0.44	(3.45)
Profit after Tax & Minority Interests	1,436.00	18.52	395.01	8.44	263.54
Basic EPS (₹)	10.48		2.95		255.19
Diluted EPS (₹)	10.24		2.95		246.94

The consolidated revenues for the year were ₹ 7.75 bn for the year under review, an increase of 65.65% as compared to the previous year. Broking revenues increased by 69.18% to ₹ 4.86 bn, as market activity picked up, especially in the high-yield cash segment. Both retail and institutional segments saw traction within the cash market volumes during the year.

Asset management fees also saw significant traction, increasing 67.60% to ₹ 1.27 bn as compared to last year. Total assets under management/advice across our mutual funds, PMS and private equity businesses was ₹ 82.56 bn. Assets in both equity mutual fund products and PMS products benefited from increased mobilization and market appreciation. In the private equity business, the 2nd real estate fund - India Realty Excellence Fund II raised commitments of ₹ 4.54 bn as of 31st March, 2015.

Investment banking fee at ₹ 193.23 mn saw a 186.17% growth over the previous year, as the speed of transaction closures gathered speed this year.

Fund based income increased by 45.60% to ₹ 1.36 bn as the housing finance business gained traction this year. In line with the long term strategy to grow Return on Equity (RoE) sustainably, MOFSL has made strategic allocation of capital to long term RoE enhancing opportunities like Aspire Home Finance and sponsor commitments to existing mutual fund and private equity funds of MOFSL group. Aspire Housing Finance received its Certificate of Registration from NHB to commence the business during the year. Fund based income in FY2015 also included profit earned on partial exits in few investments of the Private Equity Fund in which MOFSL made sponsor commitments.

Total expenses (before interest and depreciation) for the year at ₹ 5.16 bn registered a 58.29% jump over last year. People cost increased by 49.10% to ₹ 1.90 bn. This was largely owing to an increase in hiring in the retail broking & distribution, housing finance and institution broking businesses. Brokerage shared with intermediaries increased by 85.05% to ₹ 1.95 bn in line with the growth in retail brokerage commissions. Other costs were ₹ 1.31 bn, an increase of 40.59% over last year. This was largely due to higher brand and marketing expenses, as well as legal and travelling expenses. The profit before depreciation, interest, exceptional items and taxation (EBITDA) increased by 82.52% to ₹ 2.60 bn. Higher revenues during the year resulted in margin improvement during the year, and the EBITDA margin increased from 30.37% to 33.47%.

In line with the ROE strategy, the NBFC lending business of loan against shares would now being run as a spread business with a healthy mix of short term and long term borrowings, rather than from equity capital as was the case earlier. MOFSL has raised long-term NCDs of ₹ 1.50 bn at annualized cost of 10.05% (payable annually). The total borrowings in MOFSL (ex Aspire) stood at ₹ 6.13 bn as of 31st March, 2015. This has resulted in incremental interest cost (ex Aspire) of approx ₹ 222.88 mn as compared to the previous year.

Reported net profit for the year after minority interest stood at ₹ 1.44 bn, an increase of 263.54%. In the previous year FY2014, the company has written off/provided for amounts of ₹ 555.86 mn (pre-tax) in respect of its exposure to NSEL, which had not been able to adhere to its payment obligations. This was disclosed under “Exceptional Items” in the previous year.

MOFSL group's commitments to our own mutual fund products stood at ₹ 5.51 bn, as of 31st March, 2015. The unrealized gain on these investments is ₹ 1.62 bn as of 31st March, 2015. The same is not reflected in the profit and loss account for the year. MOFSL group's commitments to our alternative investment products stood at ₹ 1.30 bn, as of 31st March, 2015.

Long-term investments increased from ₹ 2.23 bn to ₹ 7.94 bn on a year on year basis. Current assets mainly comprise of sundry debtors, stock in trade, cash and bank balances, and other current assets. As of 31st March, 2015, the cash and bank balances were ₹ 2.72 bn, from ₹ 1.68 bn a year back. Total loans and advances was ₹ 9.61 bn, from ₹ 5.28 bn a year back. Current liabilities mainly consist of current liabilities in connection with margin monies deposited by customers to facilitate trading on their behalf and amounts payable to customers on whose behalf we undertake trades as well as amounts payable to exchanges. It was ₹ 13.20 bn as of 31st March, 2015, from ₹ 6.50 bn a year back. Total provisions were ₹ 871.14 mn as of 31st March, 2015.

Human Resources

At MOFSL, it has been our attempt to create an employee-centric culture. We have ensured that we take-up new engagement initiatives year on year to take our employee engagement to another level. In the year FY2015, the Foundation Day was celebrated with Monali Thakur (Singer) gracing the occasion for the function. In our endeavour to recognize and reward exceptional employee performance, the Annual Associate Awards were presented across various categories at the function. It was followed by an entertainment program. The response for the Annual Cricket Tournament was tremendous, with 22 teams participating in the event. Other events included Independence Day, Diwali Mela and Christmas Celebrations. We also provide our employees with Wellness and Wellbeing services through ICAS as our counseling partners, as well as other facilities such as Yoga & Meditation sessions to promote a healthy lifestyle. We had organized various camps which included the Eye camp; Health check up camp & Blood Test camp. As CSR activity we conducted Blood Donation drive to contribute towards a social cause.

In the last financial year, Trainings has taken a 360° turn. Our aim was to provide the associates with tools and trainings necessary for job excellence and growth. Trainings were conducted based on the Training-Need analysis done for various businesses, such as business operations, institutional equities, advisory, reactivation and online account opening teams. Several trainings on communication, email etiquette, managing teams, grooming, corporate etiquette, etc were conducted in the last year. The biggest highlight was the Behavioral Interviewing workshop organized for the senior management. It was an extremely insightful session. To provide insights on leadership, we organized Knowledge Tree sessions wherein stalwarts from the industry like Vikas Agnihotri from Google, Sanjiv Mehta from Hindustan Unilever, Subhash Chandra from Zee were amongst the guest speakers. We have always strived to act as a catalyst in achieving the goals of the organization by developing the capabilities of the associates.

In terms of Sourcing, we had various new initiatives like SPARK Management Trainee Program, Young Talent - Graduate Trainee, iRecruit Recruitment Software and Employee Referral Gamification.

The Director's present the Company's report on Corporate Governance for the year ended 31st March, 2015.

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 emphasises the need for full transparency and accountability and conducting its business in a highly professional and ethical manner, thereby enhancing trust and confidence of all its stakeholders.

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 realises 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

As on 31st March 2015, the Board consists of seven members, out of whom two members hold Executive positions and five Members hold Non-Executive positions. Out of the five Non-Executive Directors, four are Independent Directors. The Company has an Executive Chairman, and thus, more than 50% (Fifty Percent) of the total numbers of Directors are Independent. As required pursuant to the provisions of section 149 of the Companies Act, 2013 and Rule 3 of Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement, Ms. Sharda Agarwal has been appointed as Women Independent Director (w.e.f 19th July, 2014) on the Board of the Company. The management of the Company is headed by the 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.

The Senior Management have made disclosures to the Board confirming that there are no material, financial and / or commercial transactions between them and the Company which could have potential conflict of interest with the Company at large.

In terms of provisions of the Companies Act, 2013 read with Rules issued thereunder and Clause 49 of the Listing Agreement, the Board of Directors, 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 31st March, 2015. 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 alongwith the environment and effectiveness of their contribution.

Furthermore, every Director has informed the Company about the Committee positions he occupied in other Companies and notified the changes as and when they took place.

Guidelines regarding appointment of Directors

The Board has formulated the Nomination and Remuneration Policy for Directors, Key Managerial Personnel (KMPs) and Senior Management in accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The said Policy outlines the appointment criteria and qualifications, the term / tenure and remuneration of the Directors, Key Managerial Person and Senior Management of the Company. The said Policy has been annexed as an Annexure 8 to Board's Report.

Board Meetings held during the year

The Board meets at regular intervals to discuss and decide on Company's business policy and strategy apart from other normal business. During the financial year 2014-15, the Board of Directors met four times i.e., on 26th April, 2014, 19th July, 2014, 20th October, 2014 and 30th January, 2015. The maximum gap between any two meetings was not more than one hundred and twenty days. All Meetings were well attended.

Directors' Attendance Record and Directorships Held

All the Directors have made necessary disclosures about the directorships and committee positions they occupy in other companies. None of the Directors on the Board are Member of more than 10 Committees and Chairman of more than 5 Committees. Further,

none of the directors serve as an Independent Director in more than 7 listed Companies. None of the Independent Directors are whole time director in listed Company. None of the Directors hold directorship in more than 10 Public Limited Company. The particulars of Director, who retires by rotation and pursuant to the provisions of section 152 of the Companies Act, 2013, being eligible and proposed to be re-appointed at the ensuing AGM, are given later in this report.

Details of composition, category of Directors, their attendance at the Board Meetings held during the year & Annual General Meeting (AGM) held on 22nd August, 2014, Directorships and Committee Memberships are given below:

Details of the composition of the Board, number of Board Meetings held and the attendance of the Directors thereat:

Name of the Directors	Category	Number of Board meetings		Attendance at the Previous AGM	Number of Directorships and Committee Membership / Chairmanship		
		Held during the year	Attended		Directorship (*)	Committee Membership (**)	Committee Chairmanship (**)
Mr. Motilal Oswal (DIN:00024503)	Promoter, Chairman & Managing Director	4	4	Present	7	–	–
Mr. Raamdeo Agarawal (DIN:00024533)	Promoter, Joint Managing Director	4	4	Present	6	–	–
Mr. Navin Agarwal (DIN: 00024561)	Non-Executive / Non-Independent	4	4	Present	2	–	–
Mr. Balkumar Agarwal (DIN: 00001085)	Non-Executive / Independent Director	4	3	Present	2	1	1
Mr. Vivek Paranjpe (DIN: 03378566)	Non-Executive / Independent Director	4	3	Present	–	–	–
Mr. Praveen Tripathi (DIN: 03154381)	Non-Executive / Independent Director	4	4	Present	–	–	–
Ms. Sharda Agarwal (DIN: 00022814) (Appointed w.e.f 19.07.2014)	Non-Executive / Independent Director	4	2	Absent	–	–	–

(*) Excluding Private Limited Companies, Foreign Companies, Section 8 Companies, Alternate Directorships and Directorship in Motilal Oswal Financial Services Limited

(**) Memberships / Chairmanships in Audit Committee and Stakeholders' Relationship Committee, excluding those in Motilal Oswal Financial Services Limited.

Information supplied to the Board

The Company sends a detailed agenda folder to each Director sufficiently before Board and Committee Meetings. To enable the Board to discharge its responsibilities effectively, the Managing Director appraises the Board at every meeting on the overall performance of the Company, followed by the detailed presentation.

A detailed functional report is also placed at Board Meetings. 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 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, as well as steps taken by the Company to rectify instances of non-compliances, if any.

Risk Management

The Company has a well-defined risk management framework in place. The Board has a well constituted Risk Management Committee and Asset Liability 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 annexed to the Board Report. The Board assesses the risk and the procedures being followed by the Company and steps taken by it to mitigate these risks.

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 the following Committees for compliance and / or administrative purpose, comprising of Executive and Non-Executive Directors:

- i) Audit Committee;
- ii) Stakeholders Relationship Committee;
- iii) Nomination and Remuneration / Compensation Committee;
- iv) Corporate Social Responsibility Committee;
- v) Risk Management Committee;
- vi) Asset Liability Management Committee
- vii) ESOP Committee
- viii) Debenture Committee

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. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the attendance of the members at these meetings, are provided below:

i. Audit Committee

The Company has a well constituted Audit Committee comprising of the following members:

Sr. No.	Name of the Member & Chairperson	Category
i)	Mr. Balkumar Agarwal (Chairman) (DIN: 00001085)	Non-Executive / Independent Director
ii)	Mr. Vivek Paranjpe (Member) (DIN: 03378566)	Non-Executive / Independent Director
iii)	Mr. Praveen Tripathi (Member) (DIN: 03154381)	Non-Executive / Independent Director
iv)	Mr. Raamdeo Agarawal (Member) (DIN:00024533)	Joint Managing Director

The Chairman, Mr. Balkumar Agarwal was present at the Annual General Meeting of the Company held on 22nd August, 2014. The Committee is governed by a charter, containing the terms of reference therein defined by the Board of Directors of the Company, in accordance with the revised Clause 49 of the Listing Agreement and Companies Act, 2013.

The terms of reference of this Committee are very wide. Besides having access to all the required information from within the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory and the Internal Auditors and the Board of Directors of the Company.

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 Companies Act, 2013.
 - 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 a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 7. Review and monitor 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.

The Audit Committee met four times during the year on 26th April, 2014, 19th July, 2014, 20th October, 2014 and 30th January, 2015. The time gap between any two meetings was not more than four months. The details of the Composition of the Committee, number of meetings held and the attendance of the Directors are given herein below:-

Name of the members	Category	Status	No. of meetings	
			Held	Attended
Mr. Balkumar Agarwal (DIN: 00001085)	Non-Executive / Independent Director	Chairman	4	3
Mr. Vivek Paranjpe (DIN: 03378566)	Non-Executive / Independent Director	Member	4	3
Mr. Praveen Tripathi (DIN: 03154381)	Non-Executive / Independent Director	Member	4	4
Mr. Raamdeo Agarawal (DIN:00024533)	Joint Managing Director	Member	4	4

The representatives of statutory auditors and internal auditors are permanent invitees to the Audit Committee Meetings. They have attended all the Audit Committee meetings held during the year. The internal auditor reports directly to the Audit Committee. The Company Secretary acted as the Secretary to the Committee.

ii. Nomination and Remuneration / Compensation Committee

With emergence of revised Clause 49 of the Listing Agreement and section 178 of the Companies Act, 2013, during the year the Remuneration / Compensation Committee was reconstituted as Nomination and Remuneration / Compensation Committee and the existing Nomination Committee was dissolved.

The Company has a well constituted Nomination and Remuneration / Compensation Committee comprising of the following members:-

Sr. No.	Name of the Member & Chairperson	Category
i)	Mr. Vivek Paranjpe (Chairman) (DIN: 03378566)	Non-Executive / Independent Director
ii)	Mr. Balkumar Agarwal (Member) (DIN: 00001085)	Non-Executive / Independent Director
iii)	Mr. Navin Agarwal (Member) (DIN:00024561)	Non-Executive / Non-Independent Director

In order to streamline the Committee Constitution in accordance with requirement of Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013, during the year Mr. Motilal Oswal, Managing Director stepped down as Member from the Committee and Mr. Navin Agarwal, Non Executive / Non-Independent Director was appointed in his place.

The terms of reference of the Committee are as follows:

- 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.
- Carry out performance evaluation of all Directors.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- 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.
- To decide on the commission payable to the Directors within the prescribed limit and as approved by the shareholders of the Company.
- To devise the policy on Board's diversity
- To formulate, implement and administer Employee Stock Option Scheme(s) of the Company and grant stock options to the employees.

The Committee met four times during the year under review on 26th April, 2014, 7th May, 2014, 19th July, 2014 and 30th January, 2015. The details of the Composition of the Committee, number of meetings held and the attendance of the Directors thereat is given herein below:-

Name of the members	Category	Status	No. of meetings	
			Held during the year	Attended
Mr. Vivek Paranjpe (DIN: 03378566)	Non-Executive / Independent Director	Chairman	4	4
Mr. Balkumar Agarwal (DIN: 00001085)	Non-Executive / Independent Director	Member	4	3
Mr. Motilal Oswal (DIN:00024503) (ceased to be a member w.e.f 26.04.2014)	Chairman & Managing Director	Member	4	1
Mr. Navin Agarwal (DIN: 00024561) (appointed as member w.e.f 26.04.2014)	Non-executive / Non-Independent Director	Member	4	3

Nomination and Remuneration Policy

The success of the organisation 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 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 detailed policy of the Company on Nomination and Remuneration including the criteria of making payments to Non-Executive Directors is annexed as Annexure 8 to the Board's Report.

Remuneration to Directors

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

Mr. Motilal Oswal, Chairman and Managing Director and Mr. Raamdeo Agarwal, 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 (hereinafter referred to as 'MOSL'), a material non-listed subsidiary of the Company, and draws remuneration from MOSL. Apart from the reimbursements 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 Companies Act, 2013, 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. There are no inter-se relationships amongst our Board of Directors.

Remuneration to Non-Executive Directors

The Non-executive Directors are paid a sitting fee of ₹ 20,000 for every Meeting of the Board and ₹ 10,000 for every meeting of the Committees of the Board attended by them. The shareholders of the Company at the Annual General Meeting held on 28th July, 2012 approved the payment of Commission upto an amount not exceeding 1% of the Net Profits of the Company computed in accordance with the provisions of section 198, 309 and other applicable provisions of the Companies Act, 1956 to Independent Directors of the Company for period of five years with effect from 1st April, 2012. 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 during the year ended 31st March, 2015 is given herein below :

Name of the Directors	Category	Sitting Fees (₹)	Commission (₹)
Mr. Navin Agarwal (DIN: 00024561)	Non-Executive Director / Non-Independent Director	Nil	Nil
Mr. Balkumar Agarwal (DIN: 00001085)	Non-Executive / Independent Director	1,30,000	4,00,000
Mr. Vivek Paranjpe (DIN: 03378566)	Non-Executive / Independent Director	1,30,000	4,00,000
Mr. Praveen Tripathi (DIN: 03154381)	Non-Executive / Independent Director	1,20,000	4,00,000
Ms. Sharda Agarwal (DIN: 00022814) (Appointed w.e.f 19.07.2014)	Non-Executive / Independent Director	40,000	3,00,000

In accordance with the provisions of Clause 49 of the Listing Agreement and Companies Act, 2013, Independent Directors are not eligible for any stock option.

Remuneration to the Chairman & Managing Director and to Joint Managing Director

Mr. Motilal Oswal, Chairman & Managing Director received a remuneration of ₹ 2,40,00,000 (Two Crore and Forty Lakhs only) from the Company during the financial year ended 31st March, 2015.

Mr. Raamdeo Agarwal, Joint Managing Director received a remuneration of ₹ 2,40,00,000 (Two Crore and Forty Lakhs only) from the Company during the financial year 31st March, 2015.

Mr. Raamdeo Agarwal was re-appointed as Joint Managing Director for a period of five years with effect from 14th October, 2014, being approved by the shareholders at the Annual General Meeting dated 22nd August, 2014.

Shares held by the Non-Executive Directors

Details of the Equity Shares of the Company held by the Non-Executive Directors as on 31st March, 2015 is given herein below :

Name of the Directors	Category	Number of Equity shares of ₹ 1 each held
Mr. Navin Agarwal (DIN: 00024561)	Non-Executive / Non-Independent Director	78,04,010
Mr. Balkumar Agarwal (DIN: 00001085)	Non-Executive / Independent Director	Nil
Mr. Vivek Paranjpe (DIN: 03378566)	Non-Executive / Independent Director	Nil
Mr. Praveen Tripathi (DIN: 03154381)	Non-Executive / Independent Director	Nil
Ms. Sharda Agarwal (DIN: 00022814)	Non-Executive / Independent Director	Nil

iii. Stakeholders Relationship Committee

In Compliance with the provisions of Clause 49 of the Listing Agreement and section 178 of the Companies Act, 2013, the existing Shareholders / Investors Grievance Committee was renamed as Stakeholders Relationship Committee.

The Company has a duly constituted Committee comprising of the following members:

Sr. No.	Name of the Member & Chairperson	Category
i)	Mr. Balkumar Agarwal (Chairman) (DIN: 00001085)	Non-Executive / Independent Director
ii)	Mr. Motilal Oswal (Member) (DIN: 00024503)	Chairman and Managing Director
iii)	Mr. Raamdeo Agarwal (Member) (DIN: 00024533)	Joint Managing Director

The Company Secretary acts as the Secretary to the Committee.

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 financial year 2014 -15 are given herein below:

Sr. No.	Nature of Complaint	Pending as on 1st April, 2014	Received during the year	Disposed off during the year	Pending as on 31st March, 2015
i.	SEBI / Stock Exchange Complaints	–	2	2	–
ii.	Non-receipt of Dividend warrant / Int.	–	9	9	–
iii.	Non-receipt of Share Certificate	–	–	–	–
iv.	Non-receipt of Annual Report	–	1	1	–
v.	Others	–	1	1	–
	Total	–	13	13	–

All complaints have been redressed to the satisfaction of the shareholders and none of them were pending as on 31st March, 2015.

iv. Corporate Social Responsibility Committee (CSR Committee)

Over the years, the Company is being undertaking CSR activities as one of the key aspects of its corporate philosophy. However with the emergence of section 135 of the Companies Act, 2013, the Company formalized such activities through its duly constituted CSR Committee. The Committee comprises of the following members:

Sr. No.	Name of the Member & Chairperson	Category
i)	Mr. Balkumar Agarwal (Chairman) (DIN: 00001085)	Non-Executive / Independent Director
ii)	Mr. Motilal Oswal (Member) (DIN: 00024503)	Chairman and Managing Director
iii)	Mr. Raamdeo Agarawal (Member) (DIN: 00024533)	Joint Managing Director

A brief terms of reference of the Committee are as follows:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII.
- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a).
- Monitor the Corporate Social Responsibility Policy of the company from time to time.
- Update the Board on the implementation of various programmes and initiatives.

The Committee met once during the year under review on 26th April, 2014 and all the members were present at the Meeting. The CSR Policy devised in accordance with Section 135 of the Companies Act, 2013 and the details about CSR Policy and initiatives and activities undertaken by the Company on CSR during the year is annexed as Annexure 3 to the Board's Report.

v. Asset Liability Management Committee (ALCO Committee)

In accordance with the regulations of RBI, the Company has a duly constituted Asset Liability Management Committee (ALCO Committee). The ALCO Committee determines 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.

The ALCO is a decision making unit responsible for balance sheet planning from risk return perspective including the strategic management of interest rate and liquidity risks. The business and risk management strategy of the company will ensure that the Company operates within the limits / parameters set by the Board.

The Committee comprises of the following members:

Sr. No.	Name of the Member & Chairperson	Category
i)	Mr. Motilal Oswal (Chairman) (DIN: 00024503)	Chairman and Managing Director
ii)	Mr. Raamdeo Agarawal (Member) (DIN: 00024533)	Joint Managing Director
iii)	Mr. Navin Agarwal (Member) (DIN: 00024561)	Non-Executive / Non-Independent Director
iv)	Mr. Ajay Menon (Member) (DIN: 00024589)	Chairman and Whole Time Director of Motilal Oswal Securities Limited

vi. Risk Management Committee

The Risk Management Committee manages the integrated risk and intimates the Board about the progress made in progressive risk management system, risk management policy and strategy evaluation of the process.

The Company has a duly constituted Risk Management Committee comprises of the following members:

Sr. No.	Name of the Member & Chairperson	Category
i)	Mr. Motilal Oswal (Chairman) (DIN: 00024503)	Chairman and Managing Director
ii)	Mr. Navin Agarwal (Member) (DIN: 00024561)	Non-Executive / Non-Independent Director

The terms of reference of the Committee are as follows:

- Reviewing and approving the risk management policy and associated framework, processes and practices of the Company on an annual basis;
- Ensuring the appropriateness of the Company in taking measures to achieve prudent balance between risk and reward in both ongoing and new business activities;
- Evaluating significant risk exposure of the Company and assessing Management's action to mitigate / manage the exposure in timely manner;

- iv) Laying down the risk tolerance limits and Monitoring risk exposures at periodic intervals;
- v) Reporting to the Board on periodical basis;
- vi) Assist the Board in effective operation of risk management system by performing specialized analyses and quality reviews;
- vii) Maintaining a group-wide and aggregated view on the risk profile of the Company in addition to the solo and individual risk profile;
- viii) Reviewing, investigating the instances reported for unethical behavior of employees or Senior Management Officials and taking suitable disciplinary action against such employees.

vii. ESOP Committee

The Board has constituted an ESOP Committee which determines the terms of employee stock options which includes number of options to be granted to any employee in the aggregate, terms on which the options would vest, conditions under which options vested in employees may lapse, exercise period within which an employee should exercise the option and lapsing of such option on failure of exercise, right of an employee to exercise all the options vested at one time or at various points of time within the exercise period and other related and incidental matters.

The ESOP Committee comprises of the following members:

Sr. No.	Name of the Member & Chairperson	Category
i)	Mr. Motilal Oswal (Chairman) (DIN: 00024503)	Chairman and Managing Director
ii)	Mr. Raamdeo Agarawal (Member) (DIN: 00024533)	Joint Managing Director

viii. Debenture Committee

The Debenture Committee determines and approve 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., to approve Information Memorandum, issue and allotment of Debentures and to 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 and 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.

The Committee comprises of the following members:

Sr. No.	Name of the Member & Chairperson	Category
i)	Mr. Motilal Oswal (Chairman) (DIN: 00024503)	Chairman and Managing Director
ii)	Mr. Raamdeo Agarawal (Member) (DIN: 00024533)	Joint Managing Director
iii)	Mr. Navin Agarwal (Member) (DIN: 00024561)	Non-Executive / Non-Independent Director
iv)	Mr. Balkumar Agarwal (Member) (DIN: 00001085)	Non-Executive / Independent Director

Mr. Balkumar Agarwal waived his right for payment of sitting fees for all the Debenture Committee Meetings and hence no sitting fees was paid to Mr. Balkumar Agarwal, Non-Executive/Independent Director.

Independent Directors' Meeting

During the year a separate meeting of Independent Directors of the Company was held on 30th January, 2015. The Independent Directors at the meeting discussed on the following matters:

- Evaluation of performance of non-independent directors and the Board as a whole;
- Evaluation of performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors.
- Evaluation of the quality, quantity and timeliness of flow of information between the Company management and the Board.

All the Independent Directors were present at the Meeting.

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 put in place a 'Policy against Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy, any women employee may report her complaint to the Redressal Committee formed for this purpose. We affirm that adequate access was provided to any complainant who wish to register a complaint under the policy. There were no complaints received by the Company, during the FY 2014-15.

Familiarisation Programme for Independent Directors

The Company has conducted the Familiarisation programme for Independent Directors during the year. The Programme 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 Programme has been disclosed on the website of the Company at <http://www.motilaloswal.com/Financial Services/Investor Relations/Corporate Policies>.

Management

Management Discussion and Analysis

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

Shareholders

Re-appointment of Directors

In terms of the provisions of section 152 of the Companies Act, 2013, and in accordance with the Articles of Association of the Company, the two third of the total number of Directors, excluding Independent Directors shall be eligible to retire by rotation, out of which, one-third shall retire. The Directors which are liable to retire by rotation would be those who have been longest in office since their last appointment.

Accordingly, Mr. Motilal Oswal and Mr. Raamdeo Agarawal, non-independent directors are liable to retire by rotation. Mr. Motilal Oswal, being longest in the office will retire by rotation and would be eligible for re-appointment in the forthcoming Annual General Meeting.

The details of Mr. Motilal Oswal seeking re-appointment at the forthcoming Annual General Meeting is as under: -

Name of Director	Mr. Motilal Oswal
Date of Birth	12th May, 1962
Date of appointment on the Board	18th May, 2005
Date of appointment as Managing Director	18th January, 2011
Expertise in specific functional area	Expertise in all the areas of Capital Markets
Qualifications	Chartered Accountant
Directorships in Public Limited Companies	<ul style="list-style-type: none"> i Motilal Oswal Financial Services Limited ii Motilal Oswal Investment Advisors Private Ltd. iii MOPE Investment Advisors Private Limited. iv Motilal Oswal Insurance Brokers Private Limited v Aspire Home Finance Corporation Limited vi Motilal Oswal Trustee Company Limited vii Motilal Oswal Real Estate Investment Advisors Private Limited viii Motilal Oswal Real Estate Investment Advisors II Private Limited

Memberships of Committees in Public Limited Companies	Motilal Oswal Financial Services Limited- Stakeholders Relationship Committee, Asset Liability Management Committee, ESOP Committee, Debenture Committee, Corporate Social Responsibility Committee, Risk Management Committee. MOPE Investment Advisors Private Limited- Corporate Social Responsibility Committee.
Shareholding of Director in the Company	1,21,10,476 Equity Shares of ₹ 1 each
Membership of Committees in Public Limited Companies	7

Mr. Motilal Oswal is the Chairman and Managing Director of Motilal Oswal Financial Services Ltd.(MOFSL). He is a Chartered Accountant and started the business along with co-promoter, Mr. Raamdeo Agarawal in 1987. For his work and contribution to the capital markets, Mr. Oswal has been felicitated with several awards and accolades including:

- 'Excellent Business Achiever in Financial Services' Award by the Institute of Chartered Accountants of India.
- 'Rajasthan Ratna Manav Seva' Award by Manav SevaTrust.
- 'Special Contribution award to Indian Capital Markets' Award by Zee Business.
- 'The Hall of Fame for Excellence in Franchising' by Franchising World Magazine.
- 'Champion of Arthshastra' by the Rotary Club.
- 'Durgadevi Saraf Puraskar' by Marwadi Sammelan for extraordinary contributions in the field of Trade & Industry.
- 'Samaj Ratna' Award from the hands of President Smt. Pratibhatai Patil at Rashtrapati Bhawan.

Mr. Oswal has also received the Rashtriya Samman Patra awarded by the Government of India for being amongst the highest income taxpayers in the country for a period of 5 years from FY95-FY99. He has also served on the governing board of the Bombay Stock Exchange (BSE) as well as IMC and also has served on many committees of BSE, NSE, SEBI and CDSL. Mr Oswal is associated with various social organisations. He is a Trustee of "Agarwal-Oswal Chhatravas" of the Rajasthan Vidyarthi Griha. He has authored two books of quotations on 'The Essence of Business & Management' and 'The Essence of Life'.

General Body Meetings

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

No. and Year	Date	Venue	Time	Special Resolutions passed
7th AGM, 2012	28th July, 2012	Motilal Oswal Tower, Junction of Gokhale Road & Sayani Road, Behind Parel ST Bus Depot, Elphinstone Road (West), Prabhadevi, Mumbai - 400 025.	1.30 p.m.	i) Payment of Commission to Directors upto one per cent of the net profits of the Company. ii) Issue of 112,907 Equity shares of ₹ 1 each at a premium of ₹ 102.48 per share on preferential basis as a purchase consideration for acquisition of 62,500 Equity shares of Motilal Oswal Investment Advisors Pvt. Ltd.
8th AGM, 2013	27th July, 2013	Motilal Oswal Tower, Junction of Gokhale Road & Sayani Road, Behind Parel ST Bus Depot, Elphinstone Road (West), Prabhadevi, Mumbai - 400 025.	2.30 p.m.	i) Re-pricing of Stock Options from ₹ 208.70 to ₹ 165 per stock option under Employee Stock Option Schemes V & VI.

No. and Year	Date	Venue	Time	Special Resolutions passed
9th AGM, 2014	22nd August, 2014	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai - 400 025.	4.00 p.m.	i) To offer or invite subscription to Secured / Unsecured Redeemable Non-Convertible Debentures (NCD's) on private placement basis upto ₹ 1000 crores. ii) Issue of Stock Option to Employees of the Company under 'Motilal Oswal Financial Services Limited-Employees' Stock Option Scheme VII'. iii) Issue of Stock Option to the Employees' of the present and future subsidiaries of the Company under 'Motilal Oswal Financial Services Limited - Employees' Stock Option Scheme -VII'. iv) Adoption of new Articles of Association in place of existing Articles of Association.

Postal Ballot Resolutions

During the financial year, the following resolutions were passed through Postal Ballot pursuant to section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014.

The Company appointed Mr. Nandlal Bafna, a Practicing Company Secretary, as Scrutinizer for conducting the Postal Ballot (electronically and by physical ballot) in accordance with the provision of the Companies Act, 2013 and based on the Scrutinizer's Report dated 20th September, 2014, Mr. Motilal Oswal, Chairman & Managing Director of the Company announced the Postal Ballot results on 22nd September, 2014 as under and the same were published in English newspaper Free Press Journal and in vernacular language in Navshakti newspaper. The Results were also informed to BSE Limited and National Stock Exchange of India Limited.

Sr. No.	Particulars	Total Valid votes	% to total votes	Votes in favour of the resolution		Votes against the resolution	
				No. of Votes	% to total votes	No. of Votes	% to total votes
1.	Special Resolution u/s. 180(1)(c) of the Companies Act, 2013 for approving the limits of borrowing.	122,685,927	99.999	122,683,082	99.997	2845	0.002
2.	Special Resolution u/s. 180(1)(a) of the Companies Act, 2013 for creating mortgage / charge / hypothecation over the assets of the company.	122,685,877	99.999	122,683,032	99.997	2,845	0.002
3.	Special Resolution for approval of related party transaction under clause 49 of Listing Agreement entered with stock exchanges, for obtaining loan from and providing security against it to Motilal Oswal Securities Ltd., a Subsidiary Company.	20,431,957	21.015	20,428,392	21.011	3,565	0.004
4.	Special Resolution for approval of related party transaction under clause 49 of Listing Agreement entered with stock exchanges, for Mortgaging Company's assets for loans availed by Motilal Oswal Securities Ltd., a Subsidiary Company.	20,432,057	21.015	20,428,782	21.011	3,275	0.004
5.	Special Resolution u/s. 186 of the Companies Act, 2013 for investing the funds of the Company for acquiring securities of any other body corporate.	122,685,727	99.999	122,675,692	99.997	10,035	0.002

Disclosures:

- i) There have been no materially significant 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 31st March, 2015. 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 Clause 49 of the Listing Agreement and section 177 of the Companies Act, 2013, 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 of 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 www.motilaloswal.com/Financial Services/Investor Relations/Corporate Policies.
We affirm that no employee of the Company was denied access to the Audit Committee.
- iv) The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement.
- v) The Company has complied with the following non-mandatory requirements as prescribed in Annexure XIII to Clause 49 of the Listing Agreement: -
 - a) The Company is in the regime of unqualified financial statements.
 - b) The internal auditor of the Company reports directly to the Audit Committee.

(vi) Subsidiary Companies

Clause 49 defines a "Material Non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, 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 holding company in the immediately preceding accounting year. The Company has one 'Material Non-listed Indian subsidiary' i.e. Motilal Oswal Securities Limited (MOSL). As on 31st March, 2015. Mr. Balkumar Agarwal, an Independent Director on the Board of the Company is also a Director on the Board of MOSL.

As required under revised Clause 49(V), the Company has formulated policy for determining material subsidiaries which has been uploaded on the Company's website at www.motilaloswal.com/Financial Services/Investor Relations/Corporate Policies.

vii) Related Party Transactions

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

As required under Clause 49(VII), the Company has formulated a Policy on Materiality and dealing with Related Party Transactions which has been uploaded on the Company's website at www.motilaloswal.com/Financial Services/Investor Relations/Corporate Policies.

viii) CEO / CFO Certification

As required under Clause 49 (IX) of the Listing Agreement with the Stock Exchanges, Mr. Motilal Oswal, Chairman, Managing Director and Chief Executive Officer and Mr. Sameer Kamath, Chief Financial Officer of the Company have certified to the Board regarding the Financial Statements for the financial year ended 31st March, 2015. A Certificate signed by the Chief Executive Officer and Chief Financial Officer is annexed to the report.

ix) Code of Conduct

The Board has laid down the Code of Conduct for its members and for designated Senior Management Personnel of the Company. The Code has been posted on the Company's website at www.motilaloswal.com/Financial Services/Investor Relations / Corporate Policies. All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Chief Executive Officer, Chairman & Managing Director to this effect is annexed to the report.

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.

Means of Communication with Shareholders

The Company publishes quarterly, half-yearly and annual results generally in Maharashtra Times and Economic Times newspapers. The Company's results and official news releases are displayed on the Company's website <http://www.motilaloswal.com>. Presentations made to the investors and analysts are also put-up on its website.

The Company informs BSE and NSE all price sensitive matters or such other matters which in its opinion are material and of relevance to the members.

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 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.

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 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. 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 endeavours to resolve all investor complaints received through SCORES.

General Information for Members and Debentureholders

(i) Details of the 10th Annual General Meeting of the Company:-

Date	: 8th August, 2015
Time	: 2.30 p.m
Venue	: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400 025.

(ii) Financial year of the Company

The financial year covers the period from 1st April to 31st March.

Tentative Calendar for the financial year ending 31st March, 2016 :-

Financial reporting for the	Tentative dates of the Board Meeting
First quarter ending 30th June, 2015	Second fortnight of July, 2015
Half year ending 30th September, 2015	Second fortnight of October, 2015
Third quarter ending 31st December, 2015	Second fortnight of January, 2016
Year ending 31st March, 2016	Second fortnight of April, 2016

- Annual General Meeting for the year ended 31st March, 2016 is likely to be held in the second fortnight of August, 2016.

(iii) Date of Book Closure

For Equity Shares: From 3rd August, 2015 to 8th August, 2015, inclusive of both days.

(iv) Final Dividend Payment Date

The Company vide the approval of the Board of Directors has already declared and paid an Interim Dividend of ₹ 2 per equity share during the year 31st March, 2015.

Subject to the approval of the members, a final dividend of ₹ 1 per share recommended by the Board at its Meeting held on 30th April, 2015 will be paid on or before 25th August, 2015.

(v) Listing on Stock Exchanges

The Company's Equity Shares are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The requisite Equity listing fees for 2015-16 have been paid in full to BSE and NSE.

The Company has issued 1500, Secured Redeemable Non-Convertible Debentures on private placement basis which are listed on National Stock Exchange of India Limited.

During the year, the Company redeemed and extinguished privately placed 2,500 Principal Protected Secured Redeemable Non-Convertible Debentures issued on 11th December, 2012.

(vi) Stock Code / ISIN No.

BSE : 532892
NSE : MOTILALOF5

Demat International Security Identification Number (ISIN):

For Equity Shares:	INE338I01027
Non-Convertible Debentures	Series A: INE338I07024
	Series B: INE338I07032
	Series C: INE338I07040

Details of Debenture Trustee:

Milestone Trusteeship Services Limited
602, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Opp. Guru Nanak Hospital, Bandra (E), Mumbai-400 051
Website: www.milestonetrustee.in

(vii) Market Price Data

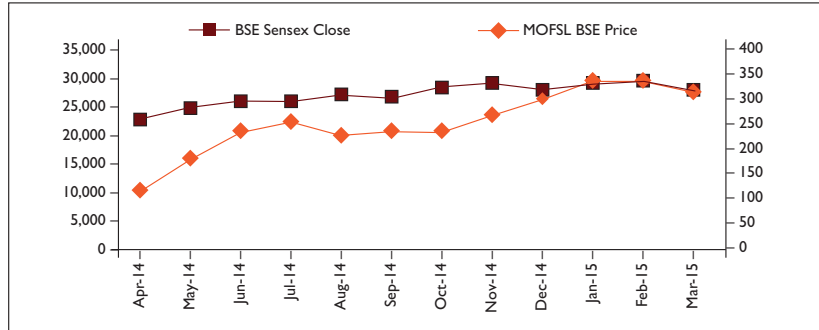
High, Low and Close price during each month in the last financial year at BSE and NSE:-

Month	BSE ₹			NSE ₹		
	High	Low	Close	High	Low	Close
April- 14	116	90.95	103.85	114.30	91.20	104.40
May- 14	180	102	167.95	181.05	102.20	167.55
June-14	237.9	166	205	237	166.95	205.05
July-14	255.25	200.55	227.95	258	202	223.90
August-14	224.95	193.1	202.25	228	192.50	205.15
September-14	238.5	200.2	226.9	237.75	203	228
October-14	236	200	216.7	236.40	198.55	214.95
November-14	268.65	211.7	263	269	210.70	263.95
December-14	294.75	235	250.15	293.90	235	249.80
January-15	341	243.3	319.95	342	245.30	320.55
February-15	339.8	285	295.45	344	283.20	297.15
March-15	322.70	269.20	285.05	323.70	268.35	283.30

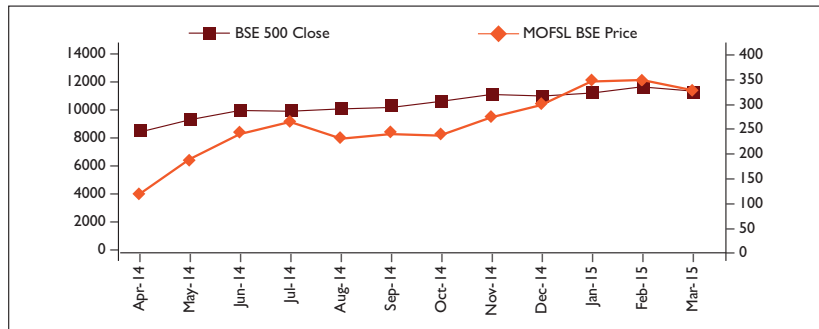
Performance in comparison to broad-based indices such as BSE Sensex, S&P CNX Nifty etc.:

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:-

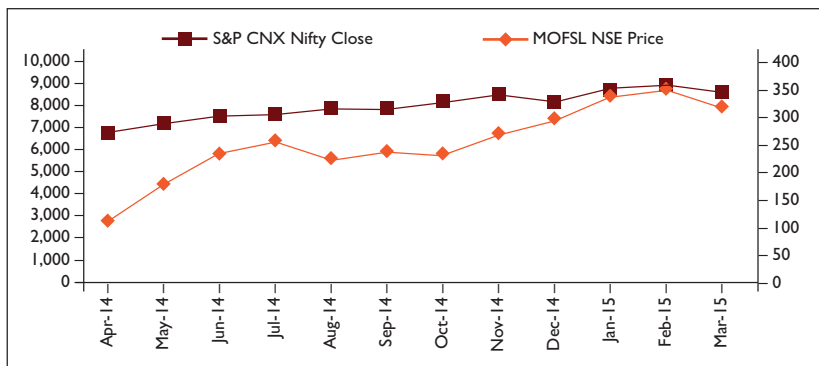
MOFSL Share performance versus BSE Sensex



MOFSL Share performance versus BSE - 500



MOFSL Share performance versus S&P CNX Nifty



(viii) Registrar and Transfer Agent for Equity Shares and Non-Convertible Debentures**Link Intime India Pvt. Limited**

Unit: Motilal Oswal Financial Services Limited

C- 13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078.

Tel: +91 22 2594 6970 Fax: +91 22 2594 69 69

Email: rnt.helpdesk@linkintime.co.in

Website: www.linkintime.co.in

(ix) Share Transfer System

Trading in Equity Shares of the Company is permitted only in dematerialised form. Shares sent for transfer in physical form are registered and returned within a period of fifteen days from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expediting the process of share transfers, the Board has severally authorised officials of the Company to approve transfers of upto 50,000 equity shares per transfer, provided that the transferee does not hold 5,00,000 or more equity shares. The Stakeholders Relationship Committee meets as and when required to consider the other transfer, transmission of shares etc. and attend to shareholders grievances.

(x) Distribution of Shareholding

Distribution of the shareholding of the equity shares of the Company by size and by ownership class as on 31st March, 2015.

Shareholding pattern by size as on 31st March, 2015 :-

Number of shares held	Number of shareholders	Total No. of shares held in the category	% of shareholding
1 - 500	9,641	8,32,639	0.59
501 - 1000	296	2,35,212	0.17
1001 - 2000	211	3,13,198	0.22
2001 - 3000	83	2,09,951	0.15
3001 - 4000	33	1,16,485	0.08
4001 - 5000	40	1,88,455	0.14
5001 - 10000	67	5,04,586	0.36
10001 & Above	163	13,77,62,149	98.29
TOTAL	10,534	14,01,62,675	100.00

Shareholding pattern by ownership class as on 31st March, 2015 :-

Sr. No.	Description	Number of Shares (as at 31st March, 2015)	% to capital
(i)	Promoters & Promoter Group	10,23,07,930	72.99
(ii)	Mutual Funds / Financial Institutions / Banks / Foreign Institutional Investors	2,00,26,584	14.29
(iii)	NRIs / OCBs	5,16,404	0.37
(iv)	Bodies Corporate	11,16,363	0.80
(v)	Public	82,82,544	5.90
(vi)	Directors	78,04,010	5.57
(vii)	Others	1,08,840	0.08
	TOTAL	14,01,62,675	100.00

(xi) Dematerialisation of Shares

As on 31st March, 2015, 99.21% of the total equity share capital was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. The market lot is one share as the trading in equity shares of the Company is permitted only in dematerialised form. Other than the capital, which is, locked for the specified periods, the stock is liquid.

(xii) Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity

As on 31st March, 2015, the Company did not have any outstanding GDRs / ADRs / Warrants or any Convertible instruments (excluding ESOPs).

(xiii) Plant Locations:

The Company is in the business of providing financial services; therefore, it does not have any manufacturing plants.

(xiv) Address for Correspondence

Shareholders may correspond with the Registrar and Transfer Agent, at the address mentioned hereinabove on all matters relating to non-receipt of share application money and non-credit of shares in demat account and any other query relating to shares of the Company. Shareholders would have to correspond with the respective Depository Participants for shares held in demat mode.

For all investor related matters, Company Secretary & Compliance Officer can be contacted at the Registered Office of the Company at: -

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

The Company can also be visited at its website <http://www.motilaloswal.com>

CHIEF EXECUTIVE OFFICER'S DECLARATION ON CODE OF CONDUCT

As required by Clause 49 of the Listing Agreement, 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 the Company.

For **Motilal Oswal Financial Services Limited**

Motilal Oswal

*Chairman & Managing Director
Chief Executive Officer*

Mumbai, 30th April, 2015

CERTIFICATE FROM CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

The Board of Directors
Motilal Oswal Financial Services Limited

Dear Sirs,

We have reviewed the financial statements and the cash flow statement of Motilal Oswal Financial Services Ltd. along with its subsidiaries for the year ended 31st March, 2015 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.
- there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- 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 we have taken or propose to take to rectify these deficiencies.
- We have indicated to the Auditors and the Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we might be aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Thanking you,

Yours faithfully,

For **Motilal Oswal Financial Services Limited**

Motilal Oswal
Chairman & Managing Director
Chief Executive Officer

Sameer Kamath
Chief Financial Officer

Mumbai, 30th April, 2015

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Motilal Oswal Financial Services Limited

We have examined the compliance of conditions of Corporate Governance by Motilal Oswal Financial Services Limited, ('the Company') for the year ended on March 31, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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.

For **HARIBHAKTI & CO. LLP**
Chartered Accountants
ICAI Firm Registration No.103523W

Amit Hundia
Partner
Membership No. 120761

Place: Mumbai
Date: June 26, 2015

Unclaimed Equity Shares in the Suspense Account

As per Clause 5A(l) of the Listing Agreement, the Company reports the following details in respect of unclaimed equity shares that are kept in Specific Demat Accounts of Motilal Oswal Financial Services Limited.

	Number of Shareholders	Number of Equity shares
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on 1st April, 2014	6	615
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	0	0
Number of Shareholders to whom shares were transferred from the suspense account during the year	0	0
Aggregate Number of Shareholders and the outstanding shares in the suspense account lying as on 31st March, 2015	6	615

To

The Members of MOTILAL OSWAL FINANCIAL SERVICES LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Motilal Oswal Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and 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

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

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

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 the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' 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 control 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 March 31, 2015, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. The Order is yet to be notified in the Gazette of India.
- (2) As required by Section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement 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 specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements refer note 23.1 on Contingent Liabilities to the standalone financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts hence, the question of any material foreseeable losses does not arise;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **HARIBHAKTI & CO. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W

Amit Hundia

Partner

Membership No. 120761

Place: Mumbai

Date: April 30, 2015

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' in 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 March 31, 2015.]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, fixed assets have not been physically verified by the management.
- (ii) The Company did not have any inventory during current financial year so, clause (ii) of paragraph 3 of the Order are not applicable to the Company.
- (iii) The Company has granted unsecured loans to Companies covered in the register maintained under Section 189 of the Act.
- (a) The loans are repayable on demand and whenever the loans are called for the Company has received the principal amount and interest accordingly.
- (b) Since there is no stipulation as regards repayment schedule, clause 3(iii)(b) is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government of India has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, wealth tax, service tax, cess and any other material statutory dues applicable to it. As explained to us, the provisions regarding sales tax, duty of customs, duty of excise and value added tax are presently not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues outstanding with respect to income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any disputes except, as stated hereunder:

Name of the statute	Nature of dues	Amount (₹ in millions)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act 1961	Income Tax	2.27	AY 2007-08	ITAT
Income Tax Act 1961	Income Tax	1.44	AY 2008-09	ITAT
Income Tax Act 1961	Income Tax	1.48	AY 2010-11	ITAT
Income Tax Act 1961	Income Tax	2.40	AY 2011-12	ITAT
Income Tax Act 1961	Income Tax	2.50	AY 2012-13	CIT (Appeal)

- (d) According to the information and explanations given to us, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- (viii) The Company does not have accumulated losses at the end of the financial year nor has incurred cash losses in the current and immediately preceding financial year.
- (ix) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution(s), bank(s) or debenture holder(s).
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions, are not prejudicial to the interest of the Company.
- (xi) The Company has not obtained any term loans.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such instance by the management.

For **HARIBHAKTI & CO. LLP**
Chartered Accountants
ICAI Firm Registration No. I03523W

Amit Hundia
Partner
Membership No. I20761

Place: Mumbai
Date: April 30, 2015

BALANCE SHEET

	Note	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
I EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	140.16	138.17
Reserves and Surplus	2	5,607.62	5,103.15
	(A)	5,747.78	5,241.32
Non-Current Liabilities			
Long-term Borrowings	3	1,500.00	188.31
Deferred Tax Liabilities (Net)	4	56.67	33.25
Other Long term Liabilities	5	56.71	91.36
Long-term Provision	6	3.12	1.79
	(B)	1,616.50	314.71
Current Liabilities			
Short-term Borrowings	7	2,931.41	1,560.78
Other Current Liabilities	8	129.49	87.08
Short-term Provision	9	235.15	253.95
	(C)	3,296.05	1,901.81
TOTAL	(A+B+C)	10,660.33	7,457.84
II ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	10	1,522.58	1,599.85
Capital Work-in- Progress		–	1.83
Non Current Investments	11	3,573.73	1,221.16
Long-term Loans and Advances	12	94.26	31.58
	(D)	5,190.57	2,854.42
Current Assets			
Cash and Bank Balances	13	63.25	21.03
Short-term Loans & Advances	14	5,379.04	4,564.24
Other Current Assets	15	27.47	18.15
	(E)	5,469.76	4,603.42
TOTAL	(D+E)	10,660.33	7,457.84
Significant Accounting Policies	22		
Notes forming part of Accounts	23 - 44		

Notes referred to above form an integral part of the financial statements

As per our attached Report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Reg No. 103523W

Amit Hundia

Partner

Membership No. 120761

Place : Mumbai

Date : 30th April, 2015

For and on behalf of the Board of Directors

Motilal Oswal Financial Services Ltd.

Motilal Oswal

Chairman & Managing Director

Raamdeo Agarawal

Joint Managing Director

Sameer Kamath

Chief Financial Officer

STATEMENT OF PROFIT AND LOSS

	Note	For the year ended 31-Mar 15 ₹ in Millions	For the year ended 31-Mar-14 ₹ in Millions
REVENUE			
Revenue from Operations	16	1,287.14	976.61
Other Income	17	4.89	0.74
Total Revenue	(A)	1,292.03	977.35
EXPENSES			
Employee benefit Expenses	18	75.74	65.30
Finance Cost	19	295.78	190.09
Depreciation	10	81.67	83.22
Other Expenses	20	185.64	176.77
Total Expenses	(B)	638.83	515.38
Profit before Exceptional Item and tax	{C = (A - B)}	653.20	461.97
Exceptional Item	(D)	31	12.95
Profit before tax	(E = C - D)	653.20	449.02
Current Tax		40.66	53.97
Minimum Alternate Tax Credit Entitlement		(23.87)	-
Deferred Tax		23.41	(3.27)
Short provision of Tax for earlier year(s)		5.23	5.24
Tax Impact of NCD Expense		2.86	-
Tax Impact of transition Depreciation		0.01	-
Total Tax Expenses	(F)	48.30	55.94
Profit for the year	{G = (E - F)}	604.90	393.08
Earnings per share (₹)			
Equity share of par value ₹1 each	27		
Basic		4.36	2.79
Diluted		4.25	2.79
Significant Accounting Policies	22		
Notes forming part of Accounts	23 - 44		
Notes referred to above form an integral part of the financial statements			

As per our attached Report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Reg No. 103523W

Amit Hundia
Partner
Membership No. 120761
Place : Mumbai
Date : 30th April, 2015

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

Motilal Oswal
Chairman & Managing Director

Raamdeo Agarawal
Joint Managing Director

Sameer Kamath
Chief Financial Officer

CASH FLOW STATEMENT

	For the Year ended 31-Mar-15 ₹ in Millions	For the Year ended 31-Mar-14 ₹ in Millions
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	653.20	449.02
Add:		
Depreciation	81.67	83.22
Stock Option	–	0.01
Bad debts written off	98.39	34.48
Change in Value of Option Premium(NCD)	–	8.44
Buyback exp	0.26	1.37
Less:		
NCD issue expenses adjusted against reserves and surplus	(5.56)	–
Provision on Standard & Doubtful Assets	(21.49)	67.77
Adjustment for Working Capital Changes		
1 Increase / (Decrease) other long term provision	1.33	(0.10)
2 Proceeds / (Repayment) of long term Borrowing	1,311.69	–
3 Increase / (Decrease) Other Current Liabilities	43.58	36.47
4 Increase / (Decrease) Short-term Provision	5.27	(73.60)
5 Increase / (Decrease) in Other long term liabilities	(34.65)	21.23
6 (Increase) / Decrease in Investment	(2352.59)	(180.47)
7 (Increase) / Decrease in Long term Loans & Advances	9.41	4.08
8 (Increase) / Decrease in Short-term Loans & Advances	(911.35)	(384.08)
9 (Increase) / Decrease in other Current Assets	(9.31)	435.93
10 Proceeds / (Repayment) Short-term Borrowings	1,370.63	307.78
11 (Increase) / Decrease in Fixed Deposits	–	5.00
CASH GENERATED FROM OPERATIONS	240.48	816.55
Taxes Paid	(108.54)	(55.05)
NET CASH GENERATED FROM OPERATING ACTIVITIES	131.94	761.50
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(4.42)	(6.09)
NET CASH USED IN INVESTING ACTIVITIES	(4.42)	(6.09)

CASH FLOW STATEMENT (Contd..)

	For the Year ended 31-Mar-15 ₹ in Millions	For the Year ended 31-Mar-14 ₹ in Millions
C. CASH FLOW FROM FINANCING ACTIVITIES		
Buyback Expenses	(0.26)	(1.37)
Proceeds from issue of Equity Share capital	2.00	–
Buy Back of Equity Share Capital	(0.00)	(7.07)
Premium on Issue of Equity Share Capital	330.52	–
Premium on Buy Back of Equity Share Capital	(0.24)	(552.78)
Dividend paid (including DDT)	(417.31)	(280.34)
Increase / (Decrease) in Unclaimed dividend amount	(0.77)	(0.07)
	(86.06)	(841.63)
NET CASH USED IN FINANCING ACTIVITIES		
	41.46	(86.22)
NET INCREASE/(DECREASE) IN CASH / CASH EQUIVALENTS		
Cash & Cash Equivalents at the beginning of the year comprise of :		
Cheque on hand	–	100.53
Scheduled Bank - In Current Account	15.43	1.12
	15.43	101.65
Total Cash & Cash Equivalents as at beginning of the year		
Cash & Cash Equivalents at the end of the year comprise of :		
Scheduled Bank - In Current Account	56.89	15.43
	56.89	15.43
Total Cash & Cash Equivalents as at end of the year		

Operating Activity as shown above includes expenditure in respect of Corporate Social Responsibility of ₹ 5.29 Million (Refer Note No . 42)

As per our attached Report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Reg No. 103523W

Amit Hundia
Partner
Membership No. 120761
Place : Mumbai
Date : 30th April, 2015

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

Motilal Oswal
Chairman & Managing Director

Raamdeo Agarawal
Joint Managing Director

Sameer Kamath
Chief Financial Officer

Note I : Share Capital

	As at 31-Mar-15		As at 31-Mar-14	
	Numbers	₹ in Millions	Numbers	₹ in Millions
AUTHORISED				
Equity Shares, of ₹ 1/- par value	870,000,000	870.00	870,000,000	870.00
Preference Shares of ₹ 100/- par value	5,000,000	500.00	5,000,000	500.00
TOTAL	875,000,000	1,370.00	875,000,000	1,370.00
ISSUED, SUBSCRIBED & PAID UP				
Equity Shares of ₹ 1/- each fully paid up	140,162,675	140.16	138,165,831	138.17
Of the above, 7,67,92,394 shares (Previous Year 7,67,92,394) held by holding Company Passionate Investment Management Private Ltd.				
TOTAL	140,162,675	140.16	138,165,831	138.17

I.1 Equity Shares :

The Company has one class of equity shares having a par value of ₹ 1/-. 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.

During the year ended March 31, 2015, the amount of per share dividend recognised as distributions to equity shareholders was ₹ 3/-. The dividend for the year ended March 31, 2015 includes ₹ 1/- Per share for final dividend & ₹ 2/- per share for interim dividend. The total dividend appropriated amounts to ₹ 419.61 Millions (Previous Year: ₹ 273.20 Million) and corporate dividend tax of ₹ 5.50 Millions (Previous year: ₹ 0.06 Millions).

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 one class of preference shares having a par value of ₹ 100/- and there are no preference shares issued & subscribed as on 31.03.2015 and 31.03.2014.

Terms and conditions of Preference shares are not yet crystallised. The same will be decided at the time of issuance of such shares.

I.2 Reconciliation of number of shares outstanding

	As at 31-Mar-15		As at 31-Mar-14	
	Numbers	₹ in Millions	Numbers	₹ in Millions
Number of share at beginning of the year	138,165,831	138.17	145,235,776	145.24
Add: Share issued on exercise of employee stock options	1,999,600	1.99	-	-
Less: Buy Back of shares	2,756	0.00	7,069,945	7.07
Number of Share at the end of the year	140,162,675	140.16	138,165,831	138.17

I.3 Share holder having more than 5% equity share holding in the Company

Share Holder	As at 31-Mar-15		As at 31-Mar-14	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Passionate Investment Management Private Limited	76,792,394	54.79%	76,792,394	55.58%
Mr. Motilal Oswal	12,110,476	8.64 %	12,110,476	8.77%
Mr. Raamdeo Agarawal	11,828,100	8.44 %	11,828,100	8.56%
HDFC Trustee Company Limited - HDFC Mutual Fund	-	-	9,284,450	6.72%
Mr. Navin Agarwal	7,804,010	5.57 %	7,804,010	5.65%

Aggregate number of shares

Particulars	2015	2014	2013	2012	2011	2010
Allotted as fully paid up without payment being received in cash	–	–	112,907	700,240	984,463	989066
Bought back	2,756	7,069,945	–	–	–	–
Issued as bonus	–	–	–	–	–	–

Refer Note No 40 for Disclosure relating to Employee Stock Option Purchase Plan

Note 2 : Reserves & Surplus

	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
Capital Redemption Reserve		
Opening balance	7.07	0.00
Add: Transferred from Profit and Loss account	0.00	7.07
Balance as at end of the year	7.07	7.07
Securities Premium Reserve		
Opening balance	3,692.27	4,245.06
Add: During the year	330.52	–
Less: Premium of Buyback of equity shares	0.24	552.79
Less : NCD issue exp (net of tax expense of ₹ 2.86 million)	5.57	–
Balance as at end of the year	4,016.98	3,692.27
ESOP Outstanding		
Opening balance	1.01	1.00
Addition during the period	–	0.01
Balance as at end of the year	1.01	1.01
Statutory Reserve (under Section 451C of RBI Act, 1934)		
Opening balance	565.92	487.30
Add: Transferred from Profit and Loss account	120.98	78.62
Balance as at end of the year	686.90	565.92
General Reserve		
Opening balance	234.15	202.70
Add: Transferred from Profit and Loss account	30.25	31.45
Balance as at end of the year	264.40	234.15
Profit & Loss Account		
Opening balance	602.73	600.04
Add: Net Profit During the year	604.90	393.08
Less: Transfer to Statutory Reserve	(120.98)	(78.62)
Less: Transfer to General Reserve	(30.25)	(31.45)
Less: Transition depreciation (net of tax expense of ₹ 0.01 million)	(0.02)	–
Less: Transfer to Capital Redemption Reserve	(0.00)	(7.07)
Less: Interim dividend	(278.90)	(138.83)
Less : Proposed Dividend	(140.72)	(134.37)
Add: Credit of Dividend Distribution Tax on dividend from subsidiary	70.60	47.50
Less : Dividend Distribution Tax	(76.10)	(47.55)
Balance as at end of the year	631.26	602.73
TOTAL	5,607.62	5,103.15

Note 3 : Long Term Borrowings

	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
Debentures-Secured		
2,500 Principal Protected Secured Redeemable Non-Convertible Debentures of ₹ 0.1 million each	–	188.31
1,500 Principal Protected Secured Redeemable Non-Convertible Debentures of ₹ 1 million each	1,500.00	–
TOTAL	1,500.00	188.31

During FY 2014-15 the company had raised ₹ 1,500 millions through the issue of 1,500 principal protected secured redeemable 10.05 % Non-convertible Debentures (NCD) with face value of ₹ 1 million each by way of private placement.

Secured against first paripasu charge over present and future receivable and immovable property.

Series - A ₹ 500 million redeemable on 27th November 2016, Series - B ₹ 500 million redeemable on 27th May 2017, Series - C ₹ 500 million redeemable on 27th November 2017.

During FY 2013-14 the company had raised ₹ 250 millions through the issue of 2,500 principal protected secured redeemable Non-convertible Debentures (NCD) with face value of ₹ 0.1 million each by way of private placement and the same are redeemed during FY 2014-15.

Secured against first paripasu charge over present and future receivable.

Note 4 : Deferred Tax Liability (Net)

	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
Deferred tax Assets		
Gratuity provision	1.03	1.01
Provision on standard, Sub standard, doubtful assets	18.72	26.55
Interest from IREF	1.01	1.04
Interest accrued on ORCD's	2.17	2.21
Interest on Debenture	–	10.44
Total (i)	22.93	41.25
Deferred tax Liability		
Capital Loss on Investment in Private Equity Funds	5.48	–
Difference in WDV of Fixed Assets as per books of accounts and as per tax records	74.12	74.50
Total (ii)	79.60	74.50
Net [Total (ii) - Total (i)]	56.67	33.25

Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.

Note 5 : Other Long Term Liability

	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
Others		
Security Deposit (against premises given on lease)	56.71	21.23
Option Premium on Non Convertible Debenture	–	70.13
TOTAL	56.71	91.36

Note 6 : Long Term Provision

	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
Provision for employee benefits		
Provision for Gratuity	3.12	1.79
TOTAL	3.12	1.79

Note 7 : Short Term Borrowings

	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
Secured		
From Others*	700.00	–
Unsecured		
Commercial Paper	2,204.09	–
From Related party (Subsidiary Company MOSL)#	27.32	1,560.78
TOTAL	2,931.41	1,560.78

Company have taken loan from its subsidiary company Motilal Oswal Securities Ltd. for the business purpose which is repayable on demand.

* Borrowings from Bajaj Finance Ltd. secured against approved list of shares and securities and borrowings from Aditya Birla Finance Co. Ltd. are secured against units of Mutual Fund held by the Company.

Note 8 : Other Current Liabilities

	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
Interest Accrued but not due	79.80	32.78
Unpaid Dividend (Refer Note (a) below)	1.36	0.60
Other Liabilities		
For Retention money	0.70	1.28
For capital expenses	3.89	3.67
For other expenses	21.66	17.05
Taxes Payable	1.53	3.47
Income received in Advance	9.88	–
Other Payables	6.80	28.23
Book overdraft	3.87	–
TOTAL	129.49	87.08

(a) There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013 as at the year end.

NOTES TO FINANCIAL STATEMENT (Contd..)

Note 9 : Short Term Provision

Particular	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
Provision for Employee benefit		
Provision for Leave Salary	0.43	0.41
Provision for Gratuity	–	1.18
Ex-Gratia	9.40	2.98
Others		
Proposed Dividend	140.16	138.17
Contingent Provisions against Standard Assets	12.56	58.21
Dividend distribution tax	28.53	23.48
Provision for Income Tax [Net of Advance Tax C.Y Nil (P.Y ₹ 8.49 millions)]	–	9.61
Provision for Sub standard & doubtful non performing assets	44.07	19.91
TOTAL	235.15	253.95

Note 10 : Tangible assets

(₹ in Millions)

Particulars	GROSS BLOCK				DEPRECIATION						NET BLOCK		
	As on 1-Apr-14	Addition	Other Adjustments	Disposal	As on 31-Mar-15	As on 01-Apr-14	For the Year ended 31-Mar-15	Other Adjustments	Transitional Depreciation	Disposal	As on 31-Mar-15	As on 31-Mar-15	As on 31-Mar-14
Land	158.30	–	–	–	158.30	–	–	–	–	–	–	158.30	158.30
Buildings * @	1,539.02	–	(0.18)	–	1,538.84	151.48	67.60	–	–	–	219.08	1,319.76	1,387.54
Computer equipment	0.43	0.19	–	–	0.62	0.34	0.16	–	0.02	–	0.52	0.10	0.09
Plant and Machinery	52.23	3.53	–	–	55.76	13.30	10.06	–	–	–	23.36	32.40	38.94
Furniture and Fixtures	16.49	0.88	–	–	17.37	5.41	2.51	–	–	–	7.92	9.45	11.07
Vehicles	9.61	–	–	–	9.61	5.70	1.34	–	–	–	7.04	2.57	3.91
TOTAL	1,776.08	4.60	(0.18)	–	1,780.50	176.23	81.67	–	0.02	–	257.92	1,522.58	1,599.85

* Part of the premises have been given on lease.

@ The Company has mortgaged its immovable property “Motilal Oswal Tower” to HDFC Bank Limited for the banking facilities availed by its Subsidiary Motilal Oswal Securities Limited.

Previous Year

Particulars	GROSS BLOCK				DEPRECIATION						NET BLOCK		
	As on 1-Apr-13	Addition	Other Adjustments*	Disposal	As on 31-Mar-14	As on 01-Apr-13	For the Year ended 31-Mar-14	Other Adjustments*	Transitional Depreciation	Disposal	As on 31-Mar-14	As on 31-Mar-14	As on 31-Mar-13
Land	158.30	–	–	–	158.30	–	–	–	–	–	–	158.30	158.30
Buildings	1,370.61	3.28	165.12	–	1,539.02	69.59	72.97	8.92	–	–	151.48	1,387.54	1,301.02
Computer equipment	0.43	–	–	–	0.43	0.28	0.06	–	–	–	0.34	0.09	0.16
Plant and Machinery	51.96	0.24	–	–	52.20	7.05	6.22	–	–	–	13.27	38.93	44.87
Furniture and Fixtures	15.79	0.70	–	–	16.49	2.81	2.61	–	–	–	5.42	11.07	12.98
Vehicles	9.61	–	–	–	9.61	4.33	1.36	–	–	–	5.69	3.92	5.27
TOTAL	1,606.70	4.22	165.12	–	1,776.04	84.06	83.22	8.92	–	–	176.20	1,599.85	1,522.60

* Other Adjustment represents transfer of building to Fixed Asset from investment property.

Note II : Non-Current Investments - At cost

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Partly Paid / Fully paid	Face Value	Amount (₹) in Millions	
			31-Mar-15	31-Mar-14			31-Mar-15	31-Mar-14
Non trade Investment								
Unquoted Investments								
(a)	Investment Property *							
	Opening Balance						53.30	–
	Add: During the year						0.12	53.30
	Total (a)						53.42	53.30
(b)	Investment in Equity Instruments							
	Motilal Oswal Securities Ltd.	Subsidiary	1,318,830	1,318,218	Fully paid-up	10	16.30	13.18
	Motilal Oswal Commodities Brokers Pvt. Ltd.	Subsidiary	410,044	400,000	Fully paid-up	10	9.02	4.00
	Motilal Oswal Investment Advisors Pvt. Ltd.	Subsidiary	1,000,000	1,000,000	Fully paid-up	10	413.72	413.72
	Motilal Oswal Private Equity Advisors Pvt. Ltd.	Subsidiary	50,000	50,000	Fully paid-up	10	0.50	0.50
	Motilal Oswal Insurance Brokers Pvt. Ltd.	Subsidiary	990,000	990,000	Fully paid-up	10	29.90	29.90
	Total (b)						469.44	461.30
(c)	Investment in Preference Instruments							
	9% Motilal Oswal Investment Advisors Pvt. Ltd.	Subsidiary	8,900,000	5,000,000	Fully paid-up	10	89.00	50.00
	Total (c)						89.00	50.00
(d)	Investment in Private Equity Funds							
	India Business Excellence Fund	Others	450	450	Fully paid-up	1,000,000	344.48	352.44
	India Business Excellence Fund - C class units	Others	1,000	–	Fully paid-up	100	0.10	–
	India Reality Excellence Fund	Others	340	340	Fully paid-up	500,000	59.97	71.50
	India Business Excellence Fund II	Others	565,000	550,000	Fully paid-up	1,000	225.62	112.62
	Total (d)						630.17	536.56
(e)	Investment in Mutual Funds							
	Motilal Oswal MOST Focused 25 Fund (Dividend Reinvestment)	Other	12,719,683	11,786,000	Fully paid-up	10	133.20	120.00
	Motilal Oswal MOST Focused Midcap 30 Fund (Dividend Payout)	Other	8,409,401	–	Fully paid-up	10	150.00	–
	Motilal Oswal MOST Focused Multicap 35 Fund (Dividend Payout)	Other	45,869,207	–	Fully paid-up	10	700.00	–
	Motilal Oswal MOST Focused 25 Fund (Growth)	Other	10,651,666	–	Fully paid-up	10	150.00	–
	Motilal Oswal MOST Focused Midcap 30 Fund (Growth)	Other	25,548,044	–	Fully paid-up	10	393.50	–
	Motilal Oswal MOST Focused Multicap 35 Fund (Growth)	Other	64,732,156	–	Fully paid-up	10	805.00	–
	Total (e)						2,331.70	120.00
	Total (a+b+c+d+e)						3,573.73	1,221.16

* During the previous year, company had purchased under construction residential flats of ₹ 53.30 Million

Particulars	2015		2014	
	Cost (₹ in Millions)	Market Value (₹ in Millions)	Cost (₹ in Millions)	Market Value (₹ in Millions)
Aggregate value of quoted investments and market value	NA	NA	NA	NA
Aggregate value of unquoted investments and market value				
Mutual Funds*	2,331.70	2,939.33	120.00	132.14
Others	1,188.61	NA	1,047.86	NA
Aggregate provision for diminution in value of investments	NA	NA	NA	NA

* on the basis of NAV declared by Mutual Fund

Note 12 : Long Term Loans and Advances

	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
Unsecured, considered good		
Capital Advances	0.04	–
Other loans and advances		
Balance with Government Authorities	11.42	19.93
Prepaid Expenses	–	1.03
Electricity and other deposits	3.78	3.69
Advance Income Tax and TDS [Net of provision Tax CY ₹ 43.53 millions (P.Y ₹ 157.14 millions)]	55.15	6.93
MAT Credit Entitlement	23.87	–
TOTAL	94.26	31.58

Note 13: Cash and Bank Balances

	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
Cash and Cash Equivalents		
Bank Balances		
In Current Account	56.89	15.43
TOTAL	56.89	15.43
Other Bank Balances		
Fixed Deposit with Banks (with maturity more than 3 months but less than 12 months)*	5.00	5.00
Unpaid Dividend Account	1.36	0.60
TOTAL	6.36	5.60
TOTAL	63.25	21.03

* Fixed Deposit of ₹ 5.00 millions (P.Y ₹ 5.00 millions) has been pledged against overdraft facility from HDFC Bank Ltd.

Note 14 : Short Term Loans and Advances

	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
Unsecured, considered good		
Loans to related party (Subsidiaries)	105.26	132.92
Loans to Others		
Standard Assets	335.05	308.41
Sub Standard Assets		
Non Performing Assets (Debts outstanding for a period exceeding six months, but less than twenty four months)	2.33	14.41
Other Loans & Advances		
Prepaid expenses	3.14	0.63
Balance with Government Authorities	–	4.47
Loans and Advances to employees	0.45	–
Others	3.55	7.05

	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
Secured, considered good		
Loans to Others		
Standard Assets	4,535.89	4,073.18
Sub Standard Assets		
Non Performing Assets (Debts outstanding for a period exceeding six months, but less than twenty four months)	370.87	0.67
Doubtful		
Non Performing Assets (Debts outstanding for a period exceeding twenty four months)	22.50	22.50
TOTAL	5,379.04	4,564.24

Note 15 : Other Current Assets

	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
Unsecured, considered good:		
Accrued interest	0.12	0.13
Receivable from subsidiary companies	27.35	18.02
TOTAL	27.47	18.15

Note 16 : Income from Operations

	For the year ended 31-Mar-15 ₹ in Millions	For the year ended 31-Mar-14 ₹ in Millions
Interest	657.44	677.42
Income From Investment		
Dividend Income		
On short term investments - Mutual funds, shares etc.	22.27	–
On long term investments - Subsidiary Company	415.44	279.46
Profit on sale of non-current Investment	106.69	–
Profit /(Loss) from Arbitrage	0.05	(23.77)
Rent Income	81.90	35.85
Other operating revenue	3.35	7.65
TOTAL	1,287.14	976.61

Note 17 : Other Income

	For the year ended 31-Mar-15 ₹ in Millions	For the year ended 31-Mar-14 ₹ in Millions
Other non operating income	4.89	0.74
TOTAL	4.89	0.74

Note 18 : Employee Benefits

	For the year ended 31-Mar-15 ₹ in Millions	For the year ended 31-Mar-14 ₹ in Millions
Salary, Bonus and Allowances	72.20	63.04
Expenses on Employee Stock Option Scheme	0.00	0.01
Contribution to provident and other funds	0.58	0.44
Staff welfare expenses	2.81	1.92
Gratuity	0.15	(0.11)
TOTAL	75.74	65.30

Note 19 : Finance Cost

	For the year ended 31-Mar-15 ₹ in Millions	For the year ended 31-Mar-14 ₹ in Millions
Interest Cost	295.78	190.09
TOTAL	295.78	190.09

Note 20 : Other Expenses

	For the year ended 31-Mar-15 ₹ in Millions	For the year ended 31-Mar-14 ₹ in Millions
Fees & Other Operating Expenses	20.34	18.28
Rents	0.19	0.19
Rates and taxes	31.25	12.45
Insurance	0.82	1.29
Legal & Professional Fees	12.49	10.59
Remuneration to auditors	1.04	1.17
Advertisement Expenses	2.34	3.82
Marketing and Brand Promotion	3.35	2.72
Printing & Stationery	1.41	1.64
Communication expenses	0.54	0.26
Travelling Expenses & Conveyance Expenses	3.69	4.35
Electricity Charges	8.36	7.45
Repair and maintenance - Building	7.66	7.23
Bad Debts Written Off	98.39	34.48
Provision on Standard Loan Assets & Provision on Sub-Standard Assets and Doubtful Asset	(21.49)	54.83
Computer Software charges	0.39	0.37
Donation	0.14	0.62
CSR - Donation (Refer Note No. 42)	5.29	-
Miscellaneous Expenses	9.44	15.03
TOTAL	185.64	176.77

Significant Accounting Policies for the year ended March 31, 2015

Note 21 : Nature of Business

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 5th April, 2006, enabling the Company to carry on business as a Non-banking Finance Company.

In accordance with the provisions of section 45- IC of the RBI Act, 1934, the Company has created a Reserve Fund & during the year, the Company has transferred an amount of ₹ 120.98 in millions (Previous Year ₹ 78.62 in millions) to Reserve Fund, being 20% of the Profit After Tax.

Note 22 : Significant Accounting Policies

22.1 Basis of Preparation of Financial Statements:

The financial statements of the Company are prepared under the historical cost convention, on the accrual basis of accounting and comply in all material respects with the generally accepted accounting principles in India, the applicable accounting standards notified under Section 133 of the Companies Act, 2013, issued by Institute of Chartered Accountant of India (to the extent applicable) and in accordance with the generally accepted accounting principles, the provisions of the companies Act, 2013 and regulations of Reserve Bank of India to the extent applicable.

All assets and liabilities have been classified as current or noncurrent as per the company's normal operating cycle and other criteria set out in the schedule III to the Companies Act 2013.

22.2 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 of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any differences of actual results to such estimates are recognized in the period in which the results are known / materialized.

22.3 Fixed Assets & Depreciation:

Fixed Assets are stated at cost less accumulated depreciation thereon. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The Company provides pro-rata depreciation from the date on which asset is acquired / put to use. In respect of assets sold, pro-rata depreciation is provided up to the date on which the asset is sold. On all assets, except as mentioned below, depreciation has been provided using the useful life as specified in Schedule II to the Companies Act, 2013.

Improvements to leased Assets are depreciated over the initial period of lease.

22.4 Borrowing Cost:

Interest and other costs in connection with the borrowing of the funds to the extent related / attributed to the acquisition/ construction of qualifying fixed assets are capitalised up to the date when such assets are ready for its intended use and other borrowing costs are charged to Statement of Profit & Loss.

22.5 Investments:

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 intended to be held for less than one year are classified as current investments.

Long term are valued at cost. Provision for diminution in value of long term investments is made if in the opinion of management such a decline is other than temporary.

Current investments are valued at cost or market / fair value, whichever is lower.

Units of Mutual Funds (Non - Exchange traded 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.

22.6 Revenue Recognition:

- a) Interest Income is recognized on the time proportionate basis starting from the date of disbursement of loan. In case of Non Performing Assets, interest income is recognized on receipt basis, as per NBFC Prudential norms.
- b) Dividend income is recognized when the right to receive payment is established
- c) 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.
- d) Income from arbitrage and trading in securities and derivatives comprises profit / loss on sale of securities and currency held as stock-in-trade and profit/loss on related derivative instruments.
 1. Profit / loss on sale of securities/currency is determined based on the Weighted Average cost of the securities/ currency sold.
 2. The company has designated these securities/currency as financial assets at "fair value through Statement of Profit or loss". Such designations are considered by the Company to eliminate / significantly reduce measurement /recognition inconsistency that would otherwise arise. These instruments are measured at fair value and changes therein are recognised in the Statement of Profit or Loss. Directly attributable transaction costs are recognised in Statement of Profit or Loss as incurred.

Fair value for quoted instruments is determined with reference to the last traded price for the respective instruments while for unquoted instruments, fair value is determined based on appropriate valuation methodologies.

Derivative

The company holds derivative instruments to hedge exposure to price risk associated with equity and/or for trading. The derivative instruments entered into by the Company are mainly in the nature of futures and options.

Derivatives are recognised at fair value; any directly attributable transaction costs are recognised in profit and loss as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in Statement of Profit and Loss Specifically with respect to futures contracts, in addition to the fair value changes being recognised in the Statement of Profit and Loss, the Company recognises margin money paid as a separate asset in the balance sheet till such amounts are settled/squared off over the tenure of the future contract.

- e) The company recognizes lease rentals from the property leased out, on accrual basis as per the terms of agreements entered with the counter parties.
- f) In respect of other heads of income the Company accounts the same on accrual basis.

22.7 Benchmarked Linked Debentures:

The Company had issued during earlier financial years certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at year end. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

22.8 Stock In Trade:

1. Shares are valued at cost or market 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.
2. Units of Mutual Funds (Exchange traded funds) are valued at cost or market value whichever is lower.

22.9 Foreign Currency Transactions:

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognized in the Statement of Profit and Loss. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing

exchange rate on that date. The exchange differences, if any, are recognized in the Statement of Profit and Loss and related assets and liabilities are accordingly restated in the balance sheet.

22.10 Employee Benefits:

Provident Fund: Contribution payable to the recognized provident fund, which is a defined contribution scheme, is charged to the Statement of Profit and Loss in the period in which they occur.

Gratuity: Gratuity is post employment benefit and is in the nature of Defined Benefit Plan. The Liability recognized 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 unrecognized 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.

Compensated Absences: As per the policy of the company, an employee can carry forward maximum 50% of the leave annually. No leave is allowed to be encashed. An obligation arises as employees render service that increases 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 recognizes the costs of bonus payments when it has a present obligation to make such payments as a result of past events and the reliable estimate of the obligation can be made.

22.11 Taxation:

Tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) 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 for the accounting year in accordance with the Income Tax Act, 1961.

Deferred taxation: The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized 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 recognized 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 reasonable/ virtually certain (as the case may be) to be realised.

Minimum Alternate Tax: In case the company is liable to pay income tax u/s 115 JB of the Income Tax Act, 1961, the amount of tax paid in excess of normal income tax is recognized as asset (MAT credit Entitlement) only if there is convincing evidence for realization of such asset during the specified period. MAT credit entitlement is reviewed at each Balance Sheet date.

22.12 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. 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.

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.

Contingent assets are not recognized 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 recognized in the period in which the change occurs.

22.13 Provisioning on Receivables From Financing Business:

- a) Provision for standard assets is made on the basis of prudential norms prescribed for NBFCs by Reserve Bank of India.
- b) Provision for non performing asset is 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 NBFCs by Reserve Bank of India.

22.14 Impairment of Assets:

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such 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 which the asset belongs to, 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 recognized 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.

Note 23 : Contingent Liability and Commitment (To the Extent Not Provided For)

23.1 Contingent Liabilities:

Guarantees: The company has given corporate guarantees (Net of Margins) of ₹ 50 Millions (Previous Year: ₹ 110 Millions) to various banks for its subsidiary Motilal Oswal Commodities Brokers Pvt. Ltd.

Claims against the company not acknowledged as debts: Demand in respect of Income Tax matters for which appeal is pending is ₹ 18.28 millions (Previous Year ₹ 19.94 millions). This is disputed by the Company and hence not provided for in the books of accounts. The Company has paid demand of ₹ 8.33 millions 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, including its tax advisors, 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.

23.2 Commitment

a) Uncalled liability on shares and other investment partly paid

1. The Company has given capital commitment of 10% (subject to maximum limit of ₹ 450 millions) in respect of total capital commitment of Business Excellence Trust, the Trust sponsored by the Company under the Indian Trust Act, 1982. The Company has contributed an amount of ₹ 438.75 millions (Previous year: ₹ 438.75 million) towards its capital contribution as per the draw down intimations received from the Fund. During the year company has received back ₹ 7.97 millions (Previous Year: Nil) towards the capital return from the fund.
2. The Company has given a capital commitment of ₹ 565 millions (Previous Year: ₹ 565 millions) in respect of Business Excellence Trust II, the Trust sponsored by the Company under the Indian Trust Act, 1982. The Company has contributed an amount of ₹ 226 millions (Previous Year: ₹ 114.05 millions) as per the draw down intimations received from the Fund.
3. The Company has given a capital commitment of an amount of ₹ 170 millions (Previous Year: ₹ 170 millions) to India Realty Excellence Fund launched by Realty Excellence Trust. In respect to this, the Company has contributed an amount of ₹ 170 millions (Previous Year: ₹ 170 millions) as per the draw down intimations received from the Fund. During the year company has received back ₹ 11.53 millions (Previous Year: ₹ 65.45 millions) towards the capital return from the fund.
4. The Company has given capital commitment of ₹ 0.10 millions in respect of total capital commitment of Business Excellence Trust Class C Units, the Trust sponsored by the Company under the Indian Trust Act, 1982. The Company has contributed an amount of ₹ 0.10 millions (Previous year: ₹ Nil) towards its capital contribution as per the draw down intimations received from the Fund.

b) Estimated amount of contracts remaining to be executed on Capital Account and not provided for is ₹ 29.06 millions (Previous Year: ₹ 75.90 millions).

Note 24 :

In the opinion of the board of directors, all current assets, loans & advances would be realizable at least of an amount equal to the amount at which they are stated in the balance sheet. Hence no impairment loss recognised on fixed assets.

Note 25 : 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 statement of the company.

Note 26 : Auditor's Remuneration

	For the year ended 31-Mar-15 ₹ in Millions	For the year ended 31-Mar-14 ₹ in Millions
As Auditors:		
Audit Fees	0.83	0.83
Tax Audit Fees	0.07	0.09
Other Certification	0.14	0.25
Out of pocket expenses	0.01	0.02
Service Tax	0.13	0.15
TOTAL	1.18	1.34

Note 27 : Basic & Diluted Earnings / (Loss) per share

	For the year ended 31-Mar-15	For the year ended 31-Mar-14
Net Profit attributable to equity shareholders [A] (₹ in Millions)	604.90	393.08
Weighted Average of equity shares issued [B] (face value of ₹ 1 each)	138,892,485	140,808,380
Basic Earnings per share [A/B] (₹)	4.36	2.79
Net Profit attributable to equity shareholders [C] (₹ in Millions)	604.90	393.08
Less : Impact on Net profit due to exercise of diluted potential equity shares [D]	0.00	0.00
Net Profit attributable to equity shareholders for calculation of Diluted EPS [C-D] (₹ in Millions)	604.90	393.08
Weighted Average of equity shares issued (face value of ₹ 1 each) [E]	138,892,485	140,808,380
Weighted Number of additional equity shares outstanding for Diluted EPS [F]	3,302,653	0.00
Weighted Number of equity shares outstanding for Diluted EPS [E+F]	142,195,138	140,808,380
Diluted Earnings per share [C-D/E+F] (₹)	4.25	2.79

Note 28 : Provisions made for the year ended 31st March, 2015 comprises of:

	Opening balance as on 01-Apr-2014	Provided for the year F.Y 14-15	Provision reversed / paid for the year F.Y 14-15	Closing balance as of 31-Mar-15
Ex-gratia	2.98	7.90	2.98	7.90
Provision for Gratuity	2.97	0.15	-	3.12
Leave Encashment	0.41	0.43	0.41	0.43

NOTES TO FINANCIAL STATEMENT (Contd..)

	(₹ in Millions)			
	Opening balance as on 01-Apr-2013	Provided for the year F.Y 13-14	Provision reversed / paid for the year F.Y 13-14	Closing balance as of 31-Mar-14
Ex-gratia	2.08	2.98	2.08	2.98
Provision for Gratuity	3.08	(0.11)	–	2.97
Leave Encashment	0.47	0.41	0.47	0.41

Note 29 :

Rent Income:

During the year, ₹ 81.90 million (P.Y ₹ 35.85 million) has been recognised as Rent income in the Statement of Profit and Loss under the head "Other operating revenue".

Minimum Future Lease receivables:

Particulars

	31-Mar-15 ₹ in Millions	31-Mar-14 ₹ in Millions
Not later than 1 year	39.79	48.14
Later than 1 Year and not later than 5 Years	48.15	192.56
Later than 5 years	–	–
Total	87.94	240.70

Building given on lease

Gross Value	385.19	235.70
Accumulated Depreciation	55.81	23.86
Depreciation	16.83	11.14

Lease Payments:

During the year, ₹ 0.19 million (P.Y ₹ 0.19 million) has been recognised as Lease Payments in the Statement of Profit and Loss under the head "Rents".

General description of lease terms :-

- i) Lease rentals are charged on the basis of agreed terms.
- ii) Assets are taken on lease for a period of 3 years.
- iii) Lease agreement is cancellable and there is no escalation clause.

Note 30 :

With effect from February 12th, 2015 the Motilal Oswal Securities Limited and Motilal Oswal Commodities Broker Private Limited became 100% subsidiary of the company after acquiring 612 shares and 10,044 shares respectively having Face value of ₹ 10 each for consideration of ₹ 3.12 Miliion and ₹ 5.02 Million respectively.

Note 31 :

The exceptional items for the previous year comprises of amount of ₹ 12.95 million provided by the company in respect of its loan given to client in respect of the client's exposure to commodities transaction on National Stock Exchange Limited (NSE).

Note 32 :

The Company has not created debenture redemption reserve for issue of 1,500 Principal Protected Secured Redeemable Non-Convertible Debentures of ₹ 1 Million each as the same is not required under the provisions of Companies (Share Capital and Debenture) Rules 2014. During the year the company had redeemed 2,500 Principal Protected Secured Redeemable Non-Convertible Debentures of ₹ 0.1 Million Each.

Note 33 :

- 1) During the year, Crisil Limited reaffirmed the Credit Rating of “CRISIL A1+” (pronounced ‘CRISIL A One Plus’) to the Short Term Debt Programme of ₹ 4000 million of the Company. The rating indicates very strong degree of safety regarding timely servicing of financial obligations.
- 2) 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 ₹ 1500 million. The rating indicates strong degree of safety regarding timely servicing of financial obligations.

Note 34 :

The Company has sent letters to the vendors to confirm whether they are covered under Micro, Small and Medium Enterprise Development Act, 2006 as well as they have filled required memorandum with prescribed authority. Out of the letter sent to the party, some confirmations have been received till the date of finalisation of Balance Sheet. Based on the confirmation received, the outstanding amounts payable to the vendors under Micro, Small and Medium Enterprises Development Act 2006 are given below :

	31-Mar-15	31-Mar-14
The Principal amount remaining unpaid at the end of the year	–	–
The Interest amount remaining unpaid at the end of the year	–	–
The balance of MSMED parties as at the end of the year	–	–

Note 35 :

During the current year, Company has made a provision ₹ 1.38 millions (previous year ₹ 0.94 in Millions) being 0.25% of its standard assets as per the Notification No DNBS.222/CGM(US)-2011 dated 17th January, 2011 issued by RBI.

Note 36 : Proposed Dividend

The final dividend proposed for the year is as follows

	For the year ended 31-Mar-15 ₹ in Millions	For the year ended 31-Mar-14 ₹ in Millions
On Equity Shares of ₹ 1 each		
Amount of dividend proposed	140.16	138.17
Dividend per Equity Share	1.00	1.00

Note 37 : Depreciation

The management of the Company has identified tangible fixed assets and has reviewed / determined their remaining useful lives in accordance with the provisions of Schedule II to the Companies Act, 2013 and depreciation has been charged accordingly. Had the company continued to charge the depreciation as per Schedule XIV to The Companies Act, 1956, the depreciation would have been lower by ₹ 3.26 millions

In respect of assets where the remaining useful life is ‘Nil’, their carrying amount after retaining the residual value as on 1st April, 2014 as determined by the management has been adjusted against the opening balance of retained earnings as on that date ₹ 0.02 Million.

Note 38 :

The following table set out the gratuity plan as required under AS 15.

Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

Employee Benefit Disclosure

(a) Defined Contribution Plan

(₹ in Millions)

	31-Mar-15	31-Mar-14
Employee Contribution to Provident Fund	2.81	1.92

(b) Defined Benefit Plan

	31-Mar-15	31-Mar-14
I Assumptions as at		
Mortality	IALM (2006-08) Ult.	LIC (1994-96) Ult.
Interest / Discount Rate	7.77%	8.75%
Rate of increase in compensation	2.00%	2.00%
Rate of return (expected) on plan assets		
Employee Attrition Rate (Past Service (PS))	PS: 0 to 37 : 3.7%	PS: 0 to 37 : 7.87%
Expected average remaining service (Years)	8.94	6.60
II Changes in present value of obligations	(₹ in Millions)	(₹ in Millions)
PVO at beginning of period	2.97	3.08
Interest cost	0.26	0.25
Current Service Cost	0.11	0.24
Past Service Cost- (non vested benefits)	–	–
Past Service Cost -(vested benefits)	–	–
Benefits Paid	–	–
Actuarial (Gain) / Loss on obligation	(0.22)	(0.60)
PVO at end of period	3.12	2.97
III Changes in fair value of plan assets		
Fair Value of Plan Assets at beginning of period	–	–
Expected Return on Plan Assets	–	–
Contributions	–	–
Benefit Paid	–	–
Actuarial Gain / (Loss) on plan assets	–	–
Fair Value of Plan Assets at end of period	–	–
IV Fair Value of Plan Assets		
Fair Value of Plan Assets at beginning of period	–	–
Actual Return on Plan Assets	–	–
Contributions	–	–
Benefit Paid	–	–
Fair Value of Plan Assets at end of period	–	–
Funded Status (including unrecognised past service cost)	(3.12)	(2.97)
Excess of actual over estimated return on Plan Assets	–	–

	31-Mar-15	31-Mar-14
V Experience History	(₹ in Millions)	(₹ in Millions)
(Gain) / Loss on obligation due to change in Assumption	(0.07)	(0.60)
Experience (Gain) / Loss on obligation	(0.15)	0.00
Actuarial Gain /(Loss) on plan assets	–	–
VI Actuarial Gain / (Loss) Recognized		
Actuarial Gain / (Loss) for the period (Obligation)	0.22	0.60
Actuarial Gain / (Loss) for the period (Plan Assets)	–	–
Total Gain / (Loss) for the period	0.22	0.60
Actuarial Gain / (Loss) recognized for the period	0.22	0.60
Unrecognized Actuarial Gain / (Loss) at end of period	–	–
VII Past Service Cost Recognised		
Past Service Cost - (non vested benefits)	–	–
Past Service Cost - (vested benefits)	–	–
Average remaining future service till vesting of the benefit	–	–
Recognised Past service Cost - non vested benefits	–	–
Recognised Past service Cost - vested benefits	–	–
Unrecognised Past Service Cost - non vested benefits	–	–
VIII Amounts to be recognized in the balance sheet and statement of profit & loss account		
PVO at end of period	3.12	2.97
Fair Value of Plan Assets at end of period	–	–
Funded Status	(3.12)	(2.97)
Unrecognized Actuarial Gain / (Loss)	–	–
Unrecognised Past Service Cost- non vested benefits	–	–
Net Asset / (Liability) recognized in the balance sheet	(3.12)	(2.97)
IX Expense recognized in the statement of P & L A/C		
Current Service Cost	0.11	0.24
Interest cost	0.26	0.25
Past Service Cost - (non vested benefits)	–	–
Past Service Cost (vested benefits)	–	2.97
Unrecognised Past Service Cost - non vested benefits	–	–
Expected Return on Plan Assets	–	–
Net Actuarial (Gain) / Loss recognized for the period	(0.22)	(0.60)
Expense recognized in the statement of P & L A/C	0.15	(0.11)
X Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	2.97	3.08
Expenses as above	0.15	(0.11)
Contribution paid	–	–
Closing Net Liability	3.12	2.97

As the company's Employee benefit plan is un-funded. Disclosure required in terms of para 120(n) of AS - 15 issued by ICAI is not applicable.

NOTE 39 : Related Party Disclosure :

I. Names of Related Parties :- (as certified by Management)

A) Holding Company:

- Passionate Investment Management Private Limited

B) Enterprises where control exists

Subsidiary companies:

- Motilal Oswal Securities Limited
- Motilal Oswal Investment Advisors Private Limited
- MOPE Investment Advisors Private Limited (Formerly known as Motilal Oswal Private Equity Advisors Private Limited)
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Capital Markets Private Limited
- Motilal Oswal Wealth Management Limited
- 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 (Hongkong) 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

C) Enterprises in which Key Managerial Personnel exercise Significant Influence:

- Nagori Agro & Cattle Feeds Private Limited
- Rishabh Securities Private Limited
- Windwell Securities Private Limited
- Textile Exports Private Limited
- Raamdeo Agarawal (HUF)
- VISU Associates - Partnership firm
- OSAG Enterprises LLP
- Motilal Oswal Foundation (Trust)
- Motilal Oswal HUF

D) Associate Enterprises in which Key Managerial Personnel exercise Significant Influence:

- India Reality Excellence Fund II LLP

E) Key Management Personnel:

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

F) Relatives of Key Management Personnel

- a) Sunita Agrawal – Spouse of Joint Managing Director
- b) Vimla Oswal – Spouse of Chairman & Managing Director
- c) Rajendra Gopilal Oswal – Brother of Chairman & Managing Director

II. Transactions with related parties: 31-03-2015

a)

(₹ in Millions)

Transaction	Name of the related Party	Subsidiaries		Holding Company		Key Managerial Personnel / Relative of Key Managerial Personnel		Total	
		2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
Interest (Received) / Paid	Aspire Home Finance Corporation Limited	(0.29)	-	-	-	-	-	(0.29)	-
	Motilal Oswal Securities International Private Limited	(0.00)	-	-	-	-	-	(0.00)	-
	Motilal Oswal Wealth Management Limited	(0.26)	(0.32)	-	-	-	-	(0.26)	(0.32)
	Motilal Oswal Securities Limited	113.71	177.25	-	-	-	-	113.71	177.25
	Motilal Oswal Commodities Broker Private Limited	(1.76)	(7.44)	-	-	-	-	(1.76)	(7.44)
	Motilal Oswal Securities Limited	(5.33)	-	-	-	-	-	(5.33)	-
	Motilal Oswal Asset Management Co. Limited	(3.25)	(0.02)	-	-	-	-	(3.25)	(0.02)
	Motilal Oswal Insurance Brokers Private Limited	(0.29)	(0.18)	-	-	-	-	(0.29)	(0.18)
	Motilal Oswal Capital Markets Private Limited	(0.00)	(0.00)	-	-	-	-	(0.00)	(0.00)
	Motilal Oswal Investment Advisors Private Limited	(9.71)	(10.81)	-	-	-	-	(9.71)	(10.81)
	Motilal Oswal Real Estate Investment Advisors Pvt Limited	(0.03)	-	-	-	-	-	(0.03)	-
	Motilal Oswal Real Estate Investment Advisors II Private Limited	(0.13)	(0.00)	-	-	-	-	(0.13)	(0.00)
	MOPE Investment Advisors Private Limited	(2.60)	(0.09)	-	-	-	-	(2.60)	(0.09)
Total Interest Received		(23.65)	(18.87)	-	-	-	-	(23.65)	(18.87)
Total Interest Paid		113.71	177.25					113.71	177.25
Managerial Remuneration Paid	Motilal Oswal	-	-	-	-	24.00	24.00	24.00	24.00
	Raamdeo Agarawal	-	-	-	-	24.00	24.00	24.00	24.00
Total Managerial Remuneration Paid		-	-	-	-	48.00	48.00	48.00	48.00
Referral Fees / Advisory Fees Received	Motilal Oswal Real Estate Investment Advisors II Private Limited	4.87	0.47	-	-	-	-	4.87	0.47
Total Referral Fees/ Advisory Fees Received		4.87	0.47	-	-	-	-	4.87	0.47
Referral Fees / Advisory Fees (Received) Paid	Motilal Oswal Investment Advisors Private Limited	7.37	17.29	-	-	-	-	7.37	17.29
	Motilal Oswal Real Estate Investment Advisors II Private Limited	11.91	(0.47)	-	-	-	-	11.91	(0.47)
Total Referral Fees/ Advisory Fees Received		-	(0.47)	-	-	-	-	-	(0.47)
Total Referral Fees/ Advisory Fees Paid		19.27	17.29	-	-	-	-	19.27	17.29
Rent (Received) /Paid	Motilal Oswal Real Estate Investment Advisors Private Limited	-	-	-	-	-	-	-	-
	Motilal Oswal Securities Limited	(9.27)	-	-	-	-	-	(9.27)	-
	Motilal Oswal Securities Limited	0.19	0.19	-	-	-	-	0.19	0.19
	Motilal Oswal Investment Advisors Private Limited	(14.32)	(10.86)	-	-	-	-	(14.32)	(10.86)
	MOPE Investment Advisors Private Limited	(9.20)	(6.98)	-	-	-	-	(9.20)	(6.98)
	Motilal Oswal Asset Management Co. Limited	(12.13)	(9.20)	-	-	-	-	(12.13)	(9.20)
	Motilal Oswal Insurance Brokers Private Limited	(1.13)	(1.01)	-	-	-	-	(1.13)	(1.01)
Total Rent Received		(46.06)	(28.06)	-	-	-	-	(46.06)	(28.06)
Total Rent Paid		0.19	0.19	-	-	-	-	0.19	0.19
Reimbursement of Expenses (Received)/Paid	Motilal Oswal Commodities Broker Private Limited	0.28	-	-	-	-	-	0.28	-
	Motilal Oswal Wealth Management Ltd	(2.23)	(1.71)	-	-	-	-	(2.23)	(1.71)
	Motilal Oswal Securities Limited	(30.64)	(26.79)	-	-	-	-	(30.64)	(26.79)
	Motilal Oswal Investment Advisors Private Limited	(4.58)	(14.78)	-	-	-	-	(4.58)	(14.78)
	MOPE Investment Advisors Private Limited	(2.94)	(2.35)	-	-	-	-	(2.94)	(2.35)
	Motilal Oswal Asset Management Co. Limited	(3.89)	(12.86)	-	-	-	-	(3.89)	(12.86)
Motilal Oswal Insurance Brokers Private Limited	-	(1.04)	-	-	-	-	-	(1.04)	

NOTES TO FINANCIAL STATEMENT (Contd..)

(₹ in Millions)

Transaction	Name of the related Party	Subsidiaries		Holding Company		Key Managerial Personnel / Relative of Key Managerial Personnel		Total	
		2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
Total Reimbursement of Expenses Received		(44.28)	(59.53)	-	-	-	-	(44.28)	(59.53)
Total Reimbursement of Expenses Paid		0.28	-	-	-	-	-	0.28	-
Donation	Motilal Oswal Foundation (Trust)	5.29	-	-	-	-	-	5.29	-
Total Donation Paid		5.29	-					5.29	-
Business Support Service (Received)/Paid	Motilal Oswal Securities Limited	-	0.64	-	-	-	-	-	0.64
	Motilal Oswal Securities Limited	-	(0.90)	-	-	-	-	-	(0.90)
Total Business Support Service (Received)		-	(0.90)	-	-	-	-	-	(0.90)
Total Business Support Service Paid		-	0.64	-	-	-	-	-	0.64
Brokerage Paid	Motilal Oswal Securities Limited	-	0.08	-	-	-	-	-	0.08
Total Brokerage Paid		-	0.08	-	-	-	-	-	0.08
Dividend (Received)/Paid	Motilal Oswal	-	-	-	-	36.33	24.22	36.33	24.22
	Raamdeo Agarawal	-	-	-	-	35.48	23.66	35.48	23.66
	Motilal Oswal-HUF	-	-	-	-	0.00	0.00	0.00	0.00
	Raamdeo Agarawal (HUF)	-	-	-	-	1.95	1.30	1.95	1.30
	Suneeta Agarawal	-	-	-	-	0.89	0.59	0.89	0.59
	Vimla Oswal	-	-	-	-	0.38	0.25	0.38	0.25
	Rajendra Gopilal Oswal	-	-	-	-	0.20	-	0.20	-
	VISU Associates – Partnership firm	-	-	-	-	0.00	-	0.00	-
	Osag Enterprises LLP	-	-	-	-	0.00	-	0.00	-
	Passionate Investment Management Private Limited.	-	-	230.38	153.58	-	-	230.38	153.58
	Motilal Oswal Securities Limited	(415.44)	(279.46)	-	-	-	-	(415.44)	(279.46)
Total Dividend Received		(415.44)	(279.46)			(415.44)	(279.46)	-	-
Total Dividend Paid		-	-	230.38	153.58	75.23	50.02	305.61	203.60
Debenture Redemption	Passionate Investment Management Private Limited.	332.19	-	-	-	-	-	332.19	-
Debenture Redemption		332.19	-	-	-	-	-	332.19	-
Loans Repaid / (Received Back)	Motilal Oswal Securities Limited	24,671.32	16,118.99	-	-	-	-	24,671.32	16,118.99
	Motilal Oswal Real Estate Investment Advisors II Private Limited	(24.49)	-	-	-	-	-	(24.49)	-
	Motilal Oswal Commodities Broker Private Limited	(630.62)	(4,650.62)	-	-	-	-	(630.62)	(4,650.62)
	Motilal Oswal Asset Management Co. Limited	(459.62)	(10.52)	-	-	-	-	(459.62)	(10.52)
	Motilal Oswal Insurance Brokers Private Limited	(2.91)	(6.21)	-	-	-	-	(2.91)	(6.21)
	Motilal Oswal Capital Markets Private Limited	(0.14)	(0.25)	-	-	-	-	(0.14)	(0.25)
	Motilal Oswal Investment Advisors Private Limited	(164.51)	(239.63)	-	-	-	-	(164.51)	(239.63)
	Motilal Oswal Securities International Private Limited	(0.29)	-	-	-	-	-	(0.29)	-
	Motilal Oswal Private Equity Advisors Private Limited	(343.29)	(180.04)	-	-	-	-	(343.29)	(180.04)
	Aspire Home Finance Corporation Limited	(190.40)	-	-	-	-	-	(190.40)	-
	Passionate Investment Management Private Limited.	(18.41)	-	-	-	-	-	(18.41)	-
	Motilal Oswal Real Estate Investment Advisors Private Limited	(0.21)	-	-	-	-	-	(0.21)	-
	Motilal Oswal Wealth Management Ltd	(41.77)	(36.56)	-	-	-	-	(41.77)	(36.56)
Total Loan Repaid		24,671.32	16,118.99	-	-	-	-	24,671.32	16,118.99
Total Loan Received Back		(1,876.66)	(5,123.82)	-	-	-	-	(1,876.66)	(5,123.82)
Loans Given / (Received)	Motilal Oswal Securities Limited	(23,137.84)	(16,426.77)	-	-	-	-	(23,137.84)	(16,426.77)
	Motilal Oswal Real Estate Investment Advisors II Private Limited	19.87	4.50	-	-	-	-	19.87	4.50
	Motilal Oswal Commodities Broker Private Limited	589.00	4,655.00	-	-	-	-	589.00	4,655.00
	Motilal Oswal Asset Management Co. Limited	493.02	10.50	-	-	-	-	493.02	10.50

NOTES TO FINANCIAL STATEMENT (Contd..)

(₹ in Millions)

Transaction	Name of the related Party	Subsidiaries		Holding Company		Key Managerial Personnel / Relative of Key Managerial Personnel		Total	
		2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
	Motilal Oswal Insurance Brokers Private Limited	7.45	2.73	-	-	-	-	7.45	2.73
	Motilal Oswal Capital Markets Private Limited	-	0.25	-	-	-	-	-	0.25
	Motilal Oswal Investment Advisors Private Limited	132.62	216.15	-	-	-	-	132.62	216.15
	Motilal Oswal Securities International Private Limited	0.29	-	-	-	-	-	0.29	-
	Motilal Oswal Private Equity Advisors Private Limited	340.93	180.00	-	-	-	-	340.93	180.00
	Aspire Home Finance Corporation Limited	190.14	-	-	-	-	-	190.14	-
	Passionate Investment Management Private Limited.	18.41	-	-	-	-	-	18.41	-
	Motilal Oswal Real Estate Investment Advisors Private Limited	1.06	-	-	-	-	-	1.06	-
	Motilal Oswal Wealth Management Ltd	39.56	38.30	-	-	-	-	39.56	38.30
Total Loan Given		(23,137.84)	(16,426.77)	-	-	-	-	(23,137.84)	(16,426.77)
Total Loan Received		1,832.37	5,107.43	-	-	-	-	1,832.37	5,107.43
Outstanding Balances:		-	-	-	-	-	-	-	-
Sharing of Resources	Motilal Oswal Securities Limited	-	-	-	-	-	-	-	-
Total Sharing of Resources		-	-	-	-	-	-	-	-
Corporate Guarantees	Motilal Oswal Commodities Broker Private Limited	50.00	110.00	-	-	-	-	50.00	110.00
Total Corporate Guarantees		50.00	110.00	-	-	-	-	50.00	110.00
Loans & Advances (Received)/Given	Motilal Oswal Securities Limited	(27.32)	(1,560.78)	-	-	-	-	(27.32)	(1,560.78)
	Motilal Oswal Commodities Broker Private Limited	20.02	60.05	-	-	-	-	20.02	60.05
	MOPE Investment Advisors Private Limited	0.02	0.04	-	-	-	-	0.02	0.04
	Motilal Oswal Investment Advisors Private Limited	43.13	66.28	-	-	-	-	43.13	66.28
	Motilal Oswal Asset Management Co. Limited	36.33	0.00	-	-	-	-	36.33	0.00
	Motilal Oswal Real Estate Investment Advisors Private Limited	0.88	-	-	-	-	-	0.88	-
	Motilal Oswal Insurance Brokers Private Limited	4.81	-	-	-	-	-	4.81	-
	Motilal Oswal Wealth Management Ltd	0.06	2.04	-	-	-	-	0.06	2.04
	Motilal Oswal Real Estate Investment Advisors II Private Limited	0.01	4.50	-	-	-	-	0.01	4.50
Total Loan & Advances Received		(27.32)	(1,560.78)	-	-	-	-	(27.32)	(1,560.78)
Total Loan & Advances Given		105.26	132.92	-	-	-	-	105.26	132.92
Other receivables/Payable	Motilal Oswal Investment Advisors Private Limited	(1.59)	1.27	-	-	-	-	(1.59)	1.27
	Motilal Oswal Securities Limited	12.75	(178.42)	-	-	-	-	12.75	(178.42)
	MOPE Investment Advisors Private Limited	0.63	0.61	-	-	-	-	0.63	0.61
	Motilal Oswal Wealth Management Ltd	0.46	0.44	-	-	-	-	0.46	0.44
	Motilal Oswal Commodities Broker Private Limited	0.06	0.22	-	-	-	-	0.06	0.22
	Motilal Oswal Real Estate Investment Advisors Private Limited	0.01	-	-	-	-	-	0.01	-
	Motilal Oswal Real Estate Investment Advisors II Private Limited	2.95	0.48	-	-	-	-	2.95	0.48
	Motilal Oswal Asset Management Co. Limited	0.83	0.80	-	-	-	-	0.83	0.80
Total Others Receivables		17.69	3.82	-	-	-	-	17.69	3.82
Total Others Payables		(1.59)	(178.42)	-	-	-	-	(1.59)	(178.42)
Rent Deposits	Motilal Oswal Securities Limited	0.09	-	-	-	-	-	0.09	-
	Motilal Oswal Investment Advisors Private Limited	7.16	-	-	-	-	-	7.16	-
	Motilal Oswal Insurance Brokers Private Limited	0.57	-	-	-	-	-	0.57	-
	Motilal Oswal Securities Limited	16.58	-	-	-	-	-	16.58	-
	MOPE Investment Advisors Private Limited	4.60	-	-	-	-	-	4.60	-
	Motilal Oswal Asset Management Co. Limited	6.07	-	-	-	-	-	6.07	-
Total Rent Deposits		35.07	-	-	-	-	-	35.07	-

NOTES TO FINANCIAL STATEMENT (Contd..)

(₹ in Millions)

Transaction	Name of the related Party	Subsidiaries		Holding Company		Key Managerial Personnel / Relative of Key Managerial Personnel		Total	
		2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
Employee's Stock Option Granted to employees of (In Nos.)	Motilal Oswal Commodities Broker Private Limited	-	50,000	-	-	-	-	-	50,000
	Motilal Oswal Capital Markets Singapore Private Limited	35,000	-	-	-	-	-	35,000	-
	Motilal Oswal Wealth Management Limited	82,500	-	-	-	-	-	82,500	-
	Motilal Oswal Investment Advisor Private Limited	715,000	-	-	-	-	-	715,000	-
	Motilal Oswal Securities Limited	1,762,750	1,588,450	-	-	-	-	1,762,750	1,588,450
Total Employee's Stock Option Granted to employees of (In Nos.)		2,595,250	1,638,450					2,595,250	1,638,450
Employee's Stock Option Exercised by employees of (In Nos.)	Motilal Oswal Asset Management Co. Limited	19,250	-	-	-	-	-	19,250	-
	Motilal Oswal Private Equity Advisors Private Limited	15,500	-	-	-	-	-	15,500	-
	Motilal Oswal Securities Limited	1,872,350	-	-	-	-	-	1,872,350	-
Total Employee's Stock Option Exercised by employees of (In Nos.)		1,907,100	-	-	-	-	-	1,907,100	-
Outstanding Employee's Stock Option Granted to employees of (In Nos.)	Motilal Oswal Commodities Broker Private Limited	50,000.00	50,000	-	-	-	-	50,000.00	50,000
	Motilal Oswal Capital Markets Singapore Private Limited	35,000	-	-	-	-	-	35,000	-
	Motilal Oswal Wealth Management Ltd	134,000	51,500	-	-	-	-	134,000	51,500
	Motilal Oswal Asset Management Co. Limited	10,500	29,750	-	-	-	-	10,500	29,750
	Motilal Oswal Securities International Private Limited	25,000	25,000	-	-	-	-	25,000	25,000
	Motilal Oswal Investment Advisor Private Limited	715,000	-	-	-	-	-	715,000	-
	Motilal Oswal Private Equity Advisors Private Limited	4,000	210,000	-	-	-	-	4,000	210,000
	Motilal Oswal Securities Limited	5,229,650	5,339,250	-	-	-	-	5,229,650	5,339,250
Outstanding Employee's Stock Option Granted to employees of (In Nos.)		6,203,150	5,705,500	-	-	-	-	6,203,150	5,705,500

Note: Income / Liability figures are shown in brackets.

b) Maximum Balance in respect of Loan and advances to/(from) Subsidiaries under the same management

(₹ in Millions)

Transaction	Name of the related Party	Subsidiaries		Holding Company		Key Managerial Personnel / Relative of Key Managerial Personnel		Total	
		2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
Loans (Maximum balance)*	Motilal Oswal Securities Limited	(2,666.76)	(2,381.13)	-	-	-	-	(2,666.76)	(2,381.13)
	Motilal Oswal Real Estate Investment Advisors II Private Limited	13.91	4.50	-	-	-	-	13.91	4.50
	Motilal Oswal Commodities Broker Private Limited	120.00	402.30	-	-	-	-	120.00	402.30
	Motilal Oswal Asset Management Co. Ltd.	142.72	5.00	-	-	-	-	142.72	5.00
	Motilal Oswal Insurance Brokers Private Limited	5.81	5.87	-	-	-	-	5.81	5.87
	Motilal Oswal Capital Markets Private Limited	0.10	0.15	-	-	-	-	0.10	0.15
	Motilal Oswal Investment Advisors Private Limited	130.18	190.34	-	-	-	-	130.18	190.34
	Motilal Oswal Securities International Pvt. Ltd.	0.29	-	-	-	-	-	0.29	-
	Motilal Oswal Private Equity Advisors Private Limited	108.99	105.00	-	-	-	-	108.99	105.00
	Aspire Home Finance Corporation Limited	40.07	-	-	-	-	-	40.07	-

(₹ in Millions)

Transaction	Name of the related Party	Subsidiaries		Holding Company		Key Managerial Personnel / Relative of Key Managerial Personnel		Total	
		2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
	Motilal Oswal Real Estate Investment Advisors Private Limited	0.88	-	-	-	-	-	0.88	-
	Motilal Oswal Wealth Management Private Limited	16.67	10.69	-	-	-	-	16.67	10.69
Total Loan Given (Maximum Balance)		579.62	723.85	-	-	-	-	579.62	723.85
Total Loan Taken (Maximum Balance)		(2,666.76)	(2,381.13)	-	-	-	-	(2,666.76)	(2,381.13)

c) Maximum Balance in respect of Loan and advances to Holding company

(₹ in Millions)

Transaction	Name of the related Party	Subsidiaries		Holding Company		Key Managerial Personnel / Relative of Key Managerial Personnel		Total	
		2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014	2014-2015	2013-2014
Loans (Maximum balance)*	Passionate Investment Management Private Limited.	-	-	18.41	-	-	-	18.41	-
Total Loan Given (Maximum Balance)		-	-	18.41	-	-	-	18.41	-

*Note : All Loans referred above are repayable on demand

Note 40 : Disclosure relating to Employee Stock Option Purchase Plan

Details of Stock options

The company has four Stock option Schemes

Motilal Oswal Financial Services Limited -Employees' Stock Option Scheme - III'(ESOS-III)

The Scheme was approved by Board of Directors on 23.01.2006 and by the shareholders in EGM dated 03.02.2006 and EGM dated 28.04.2006 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 18.10.2007 and by the shareholders on 4.12.2007 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 21.04.2008 and by the shareholders in AGM dated 08.07.08 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 19.07.2014 and by the shareholders in AGM dated 22.08.14 and is for issue of 2,500,000 options representing 2,500,000 Equity shares of ₹ 1 each

NOTES TO FINANCIAL STATEMENT (Contd..)

The activity in the (ESOS-III), (ESOS-V), (ESOS-VI) and ESOS (VII) during the year ended March 2015 and March 2014 is set below:

	For the Year Ended 31-Mar-15		For the Year Ended 31-Mar-14	
	In Numbers	Weighted Average Exercise Price (₹)	In Numbers	Weighted Average Exercise Price (₹)
The (ESOS-III) : (Face value of ₹ 2/- each)				
Option outstanding, 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	–	NA	–	NA
Option outstanding, end of the year	9,250	103.78	9,250	103.78
Exercisable at the end of the period	–	–	–	–
The (ESOP-V) : (Face value of ₹ 1/- each)				
Option outstanding, beginning of the Year	1,284,750	167.86	1,408,500	170.92
Add Granted	1,160,750	111.12	–	NA
Less: Exercised	656,350	167.76	–	NA
Less: Forfeited	50,000	172.85	113,750	167.53
Less: Lapsed	–	–	10,000	166.56
Option outstanding, end of the Year	1,739,150	129.89	1,284,750	167.86
Exercisable at the end of the period	503,150	–	1,157,628	–
The (ESOP-VI) : (Face value of ₹ 1/- each)				
Option outstanding, beginning of the Year	4,874,250	133	3,439,000	172.88
Add Granted	–	NA	1,948,450	85
Less: Exercised	1,343,250	165.58	–	NA
Less: Forfeited	144,500	107.86	361,000	174.10
Less :Lapsed	–	165.00	152,200	172.85
Option outstanding, end of the Year	3,386,500	121.33	4,874,250	133.29
Exercisable at the end of the period	1,437,570	–	18,72,961	–
The (ESOP-VII) : (Face value of ₹ 1/- each)				
Option outstanding, beginning of the Year	–	NA	–	NA
Add Granted	1,434,500	333.85	–	NA
Less: Exercised	–	NA	–	NA
Less: Lapsed	–	NA	–	NA
Option outstanding, end of the Year	1,434,500	333.85	–	NA
Exercisable at the end of the period	–	–	–	–

Employees' Stock Options Scheme (ESOS) :

During the year 25,95,250 Employee Stock Options have been granted to the employees of the company and its subsidiary Companies (Previous Year 19,48,450).

The Company has adopted intrinsic value method of accounting Employee Compensation Cost in respect of ESOS. The intrinsic value of shares is excess of market price of the shares under ESOS over the exercise price. Employee Compensation Cost is accounted for by amortizing the intrinsic value on the straight line basis over the vesting period. The total amount to be amortized as at March 31, 2015 over the balance vesting period is ₹ Nil (Previous year - ₹ Nil)

The weighted average share price at the date of exercise for stock options exercised during the year was ₹ 239.36 (previous year ₹ Nil)

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-Feb-2006 and 28-4-2006	4-Dec-2007	8-Jul-2008	22-Aug-2014
Number of options granted	2,523,000	4,478,250	7,032,450	1,434,500
Method of Settlement	Equity Shares	Equity Shares	Equity Shares	Equity Shares
Vesting Period	1 Year to 4 Years	1 Year to 5.94 Years	1 Year to 4.80 Years	1.93 Years to 4.94 Years
Weighted Average Remaining Contractual Life				
Granted but not Vested	NA	3.04 Years (P.Y. 2.89 Years)	2.16 Years (P.Y. 1.88 Years)	3.01 Years (P.Y. NA)
Vested but not exercised	NA	1.21 Years (P.Y. 1.78 Years)	1.43 Years (P.Y. 1.91 Years)	NA
Weighted Average Share Price at the date of exercise for stock options exercised during the year	NA	₹ 237.62	₹ 240.21	NA
Exercise Period	Within 1 to 3 years of Vesting of options			
Vesting Conditions	Graded	Graded	Graded	Graded
Weighted Average Fair Value of options as on grant date	NA	₹ 61.98	₹ 31.82	₹ 69.08

Exercise Pricing Formula

Scheme III

Compensation Committee is authorised to determine the Exercise Price having regard to the valuation report of an independent practising chartered accountant that may be based on such valuation method, as may be considered suitable by him Compensation Committee, 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 Bombay Stock Exchange Limited 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.

NOTES TO FINANCIAL STATEMENT (Contd..)

Other Information regarding Employee Share Based Payment Plan is as below

Particulars	2014-15 ₹ in Millions	2013-14 ₹ in Millions
Expense arising from employee share based payment plans	Nil	Nil
Expense arising from share and stock option Plan	Nil	0.01
Total carrying amount at the end of the period	1.01	1.01

Note 41 :

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

A) CRAR

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
i) CRAR (%)	52.45%	65.55%
ii) CRAR - Tier I Capital (%)	52.33%	65.41%
iii) CRAR - Tier II Capital (%)	0.12%	0.14%

B) Investments

Particulars	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
1) Value of Investments		
(i) Gross Value of Investments		
(a) In India	3,573.73	1,221.16
(b) Outside India,	—	—
(ii) Provisions for Depreciation		
(a) In India	—	—
(b) Outside India,	—	—
(iii) Net Value of Investments		
(a) In India	3,573.73	1,221.16
(b) Outside India.	—	—
(2) Movement of provisions held towards depreciation on investments		
(i) Opening balance	—	—
(ii) Add : Provisions made during the year	—	—
(iii) Less : Write-off / write-back of excess provisions during the year	—	—
(iv) Closing balance	—	—

C) Exposure to Real Estate Sector

Particulars	31-Mar-15 ₹ in Millions	31-Mar-14 ₹ in Millions
a) Direct Exposure		
(i) Residential Mortgages -		
Lending fully secured by mortgages on residential borrower that is or will be occupied by the borrower of that is rented	56.10	100.26
(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 iv)	344.55	599.79

NOTES TO FINANCIAL STATEMENT (Contd..)

Particulars	31-Mar-15 ₹ in Millions	31-Mar-14 ₹ in Millions
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a. Residential	Nil	Nil
b. Commercial Real Estate	Nil	Nil
b) Indirect Exposure		
Refer below note iii	2745.50	785.19
Total Exposure to Real Estate Sector	3,146.15	1,485.24

Note:

- i) The Company has exposure of ₹ 59.97 millions (Previous Year ₹ 71.50 millions) through Investment in IREF.
- ii) The Company had purchased in earlier years Residential flats of ₹ 53.42 millions which has been classified as Investment in Property under Non Current Investment.
- iii) The Company has following exposure to Real estate sector through investment made by subsidiary companies.

Name of the Company

Name of the Company	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
Motilal Oswal Securities Limited	1,198.42	712.09
MOPE Investment Advisors Pvt Ltd.	46.99	73.00
Motilal Oswal Real Estate Investment Advisors Private Limited	0.09	0.10
Aspire Home Finance Corporation Limited	1,500.00	-
TOTAL	2,745.50	785.19

- iv) The Company's exposure to commercial real estate is also partly secured by charge against shares/units.

D) Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account:

	For the period ended 31-Mar-15 ₹ in Millions	For the period ended 31-Mar-14 ₹ in Millions
Provisions for depreciation on Investment	-	-
Provision towards NPA	24.16	19.91
Provision made towards Income tax	24.89	59.21
Other Provision and Contingencies (with details)*	8.48	3.28
Provision for Standard Assets	(45.65)	47.86
*Other Provisions and Contingencies		
Provision for Gratuity	0.15	(0.11)
Provision for Ex-Gratia	7.90	2.98
Provision for Compensated Absence	0.43	0.41
TOTAL	8.48	3.28

E) Concentration of Advances

Particulars	31-Mar-15 ₹ in Millions	31-Mar-14 ₹ in Millions
Total Advances to twenty largest borrowers*	3447.47	3096.39
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	64%	68%

* Largest borrowers are based on closing balance

NOTES TO FINANCIAL STATEMENT (Contd..)

F) Concentration of Exposures

Particulars	31-Mar-15 ₹ in Millions	31-Mar-14 ₹ in Millions
Total Exposure to twenty largest borrowers	3,340.00	3,292.97
Percentage of Exposure to twenty largest borrowers to Total Exposure of the Company	46%	57%

G) Concentration of NPAs

Particulars	31-Mar-15 ₹ in Millions	31-Mar-14 ₹ in Millions
Total Exposure to top four NPA accounts	394.25	37.58

H) Sector - Wise NPAs

Sr. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		31-Mar-15	31-Mar-14
1	Agriculture & allied activities	—	—
2	MSME	—	—
3	Corporate borrowers	22.35%	1.04%
4	Services	—	—
5	Unsecured loans	0.04%	1.00%
6	Auto loans	—	—
7	Other personal loans	—	—

I) Overseas Assets (for those with Joint Ventures and Subsidiaries Abroad)

Name of the Joint Venture/ Subsidiary	Other Partner in the JV	Country	₹ in Millions	
			Total Assets As at 31-Mar-15	Total Assets As at 31-Mar-14
Motilal Oswal Capital Markets (HongKong) Private Limited	NA	HongKong	24.37	31.10
Motilal Oswal Capital Markets (Singapore) Pte. Ltd.	NA	Singapore	11.18	10.55
India Business Excellence Management Co	NA	Mauritius	90.09	80.12
Motilal Oswal Asset Management (Mauritius) Pvt. Ltd	NA	Mauritius	4.35	—

Note: Subsidiaries includes step-down subsidiaries

J) Customer Complaints*

Sr. No	Particulars	31-Mar-15 (In Numbers)	31-Mar-14 (In Numbers)
a)	No. of customer complaints pending at the beginning of the year	—	—
b)	No. of customer complaints received during the financial year	8	16
c)	No. of customer complaints redressed during the financial year	8	16
d)	No. of customer complaints pending at the end of the year	0	0

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

K) i) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities (FY 2014-15)

₹ in Millions

	Upto 30 / 31 days	Over 1 month upto 2 month	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	900.00	500.00	400.00	500.00	400.00	500.00	1,276.09	895.80	5,371.89
Investments	–	–	–	–	–	683.59	2,331.70	558.44	3,573.73
Liabilities									
Borrowings	27.30	1,950.00	954.11	–	–	500.00	1,000.00	–	4,431.41

Note: The above maturity pattern is determined on management estimation.

ii) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities (FY 2013-14)

₹ in Millions

	Upto 30 / 31 days	Over 1 month upto 2 month	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
Liabilities									
Market Borrowings*	24.00	–	181.50	–	1,355.28	188.31	–	–	1,749.09
Assets									
Advances	106.06	235.00	263.00	1,565.00	2,352.51	–	15.08	22.50	4,559.15
Investments	–	–	–	–	–	–	–	1221.16	1,221.16

* Represents Short Term Loan from group company and Non-Convertible Debenture issued to group company

L) Movement of NPAs

Particulars	31-Mar-15 ₹ in Millions	31-Mar-14 ₹ in Millions
(i) Net NPAs to Net Advances (%)	6.60%	0.39%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	37.58	112.50
(b) Additions during the year	463.59	32.75
(c) Reductions during the year	105.47	107.67
(d) Closing balance	395.71	37.58
(iii) Movement of Net NPAs		
(a) Opening balance	17.66	38.08
(b) Additions during the year	377.40	(4.51)
(c) Reductions during the year	43.43	15.91
(d) Closing balance	351.63	17.66
(iv) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	19.91	74.42
(b) Provisions made during the year	86.20	37.26
(c) Write-off / write-back of excess provisions	62.04	91.77
(d) Closing balance	44.07	19.91

NOTES TO FINANCIAL STATEMENT (Contd..)

M) Exposure to Capital Market

Particulars	31-Mar-15 ₹ in Millions	31-Mar-14 ₹ in Millions
(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;	2,801.14	581.31
(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;	2,763.34	1,324.83
(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;	763.61	1,115.53
(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; (it does not include guarantee given to commodity Broker)	104.97	57.97
(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)	630.17	536.56
Total Exposure to Capital Market	7,063.23	3,616.19

N) i) Schedule to the Balance Sheet of “Motilal Oswal Financial Services Limited”

(as required in terms of paragraph 13 of Systematically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015

		(₹ in Millions)	
Particulars	Amount outstanding	Amount overdue	
Liabilities side :			
I) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:			
(a) Debentures :			
Secured	1,552.04	NIL	
Unsecured (other than falling within the meaning of public deposits*)	NIL	NIL	
(b) Deferred Credits	NIL	NIL	
(c) Term Loans	NIL	NIL	
(d) Inter-corporate loans and borrowing	27.86	NIL	
(e) Commercial Paper	2,230.90	NIL	
(f) Other Loans (Borrowings)	700.41	NIL	

* Please see Note I below

(₹ in Millions)

PARTICULARS	Amount outstanding
Assets side :	
2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]	
(a) Secured	4,929.26
(b) Unsecured	442.63
	5,371.89
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	NIL
(b) Operating lease	NIL
(ii) Stock on hire including hire charges under	
(a) Assets on hire	NIL
(b) Repossessed Assets	NIL
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	NIL
(b) Loans other than (a) above	NIL
4) Break-up of Investments :	
Current Investments :	
1. Quoted	
(i) Shares :	NIL
(a) Equity	
(b) Preference	
(ii) Debentures and bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others (please specify)	NIL
2. Unquoted	
(i) Shares :	
(a) Equity	NIL
(b) Preference	NIL
(ii) Debentures and bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others (please specify)	NIL
Long Term Investments :	
1. Quoted	
(i) Shares :	NIL
(a) Equity	
(b) Preference	
(ii) Debentures and bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others (please specify)	NIL

NOTES TO FINANCIAL STATEMENT (Contd..)

(₹ in Millions)

PARTICULARS	Amount outstanding
2. Unquoted	
(i) Shares :	
(a) Equity	469.44
(b) Preference	89.00
(ii) Debentures and bonds	NIL
(iii) Units of mutual funds	2,331.70
(iv) Government Securities	NIL
(v) Others (investment in private equity funds and property)	683.59
Total	3,573.73

Category	Secured	Unsecured	Total
5) Borrower group-wise classification of assets financed as in (2) and (3) above:			
1. Related Parties			
(a) Subsidiaries	NIL	105.26	105.26
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	4,929.26	337.38	5,266.64
Total	4,929.26	442.63	5,371.89

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) (refer note 2 and 3):		
1. Related Parties		
(a) Subsidiaries	7,723.48	558.44
(b) Companies in the same group	NIL	NIL
(c) Other related parties	NIL	NIL
2. Other than related parties	3,622.91	3,015.29
Total	11,346.39	3,573.73

Particulars	Amount
7) Other Information	
(i) Gross Non- Performing Assets	395.70
(a) Related parties	NIL
(b) Other than related parties	395.70
(ii) Net Non- Performing Assets	351.63
(a) Related Parties	NIL
(b) Other than related parties	351.63
(iii) Assets acquired in satisfaction of debt	NIL

Notes:

1. As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
2. In respect of investment in mutual funds NAV has been taken for calculation of fair value and for investment in subsidiaries, Net Asset Value is computed on the basis of book value.
3. In respect of investment in Private Equity fund and Investment in property book value has been taken as fair value due to unavailability of fair value.

ii) Schedule to the Balance Sheet Of “Motilal Oswal Financial Services Limited’ as at 31st March, 2014
(as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

(₹ in Millions)

Particulars	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	188.31	NIL
: Unsecured	NIL	NIL
(other than falling within the meaning of public deposits*)		
(b) Deferred Credits	NIL	NIL
(c) Term Loans	NIL	NIL
(d) Inter-corporate loans and borrowing	1,560.78	NIL
(e) Commercial Paper	NIL	NIL
(f) Other Loans (Borrowings)	NIL	NIL

* Please see Note I below

PARTICULARS	Amount outstanding
Assets side :	
2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]	
(a) Secured	4,096.35
(b) Unsecured	455.73
	4,552.08
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	NIL
(b) Operating lease	NIL
(ii) Stock on hire including hire charges under sundry debtors:	
(a) Assets on hire	NIL
(b) Repossessed Assets	NIL
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	NIL
(b) Loans other than (a) above	NIL

NOTES TO FINANCIAL STATEMENT (Contd..)

	PARTICULARS	Amount outstanding
4)	Break-up of Investments :	
	Current Investments :	
	1. Quoted	
	(i) Shares :	
	(a) Equity	NIL
	(b) Preference	NIL
	(ii) Debentures and bonds	NIL
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
	2. Unquoted	
	(i) Shares	
	(a) Equity	NIL
	(b) Preference	NIL
	(ii) Debentures and bonds	NIL
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
	Long term Investments :	
	1. Quoted	
	(i) Shares :	
	(a) Equity	NIL
	(b) Preference	NIL
	(ii) Debentures and bonds	NIL
	(iii) Units of mutual funds	120.00
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
	2. Unquoted	
	(i) Shares :	
	(a) Equity	461.30
	(b) Preference	50.00
	(ii) Debentures and bonds	NIL
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Others (Investment in Private Equity funds and Property)	589.86
	Total	1221.16

	Category	Secured	Unsecured	Total
5)	Borrower group-wise classification of assets financed as in (2) and (3) above: Please see Note 2 below			
	1. Related Parties**			
	(a) Subsidiaries	NIL	132.92	132.92
	(b) Companies in the same group	NIL	NIL	NIL
	(c) Other related parties	NIL	NIL	NIL
	2. Other than related parties	4,096.35	322.81	4,419.16
	Total	4,096.35	455.73	4,552.08
	Category		Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
6)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) (Please see note 3 below):			
	1. Related Parties**			
	(a) Subsidiaries		7,005.43	511.30
	(b) Companies in the same group		NIL	NIL
	(c) Other related parties		NIL	NIL
	2. Other than related parties (Investment in Private Equity Funds)			656.56
	(a) Investment in Private Equity Funds		#	536.56
	(b) Motilal Oswal MOSt Focused 25 Fund		132.15	120.00
	Total		7,137.58	1,167.86
	# The investment is unquoted and the NAV of the units is not available.			
	** As per Accounting Standard of ICAI (Please see Note 3)			
	Particulars	Amount (₹ In millions)		
7)	Other Information			
	(i) Gross Non- Performing Assets	37.58		
	(a) Related parties	NIL		
	(b) Other than related parties	37.58		
	(ii) Net Non- Performing Assets	17.66		
	(a) Related Parties	NIL		
	(b) Other than related parties	17.66		
	(iii) Assets acquired in satisfaction of debt	NIL		

Notes:

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- 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. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

Note 42 : Corporate Social Responsibility

Recognizing the responsibilities towards society, as a part of on -going activities, the company has contributed towards various Corporate Social Responsibility initiatives like supporting underprivileged in education ,medical treatments, etc and various other charitable and noble aids.

a) Gross amount required to be spent by the company during the year ₹ 5.29 Millions

b) Amount spent during the year on :

(₹ in Millions)

Particulars	Amount to be paid	Yet to be paid	Total
a) Construction / acquisition of any asset	–	–	–
b) on Purposes other than (a) above {Motilal Oswal Foundation (For Ashoka University)}	5.29	–	5.29
Total	5.29	–	5.29

Note 43 : Dividend paid in foreign currency

Particulars	For the Year ended 31st March 2015		For the Year ended 31st March 2014	
Amount of dividend paid in foreign currency (₹ In Million)	18.90	7.92	7.33	7.87
Total Number of non resident shareholder (In Numbers)	135	136	163	172
Total Number of shares held by them on which dividend were due (In Numbers)	94,48,644	79,22,837	73,26,965	78,73,245
Year relating to which dividend paid	2014-15 (Interim)	2013-14 (Proposed)	2013-14 (Interim)	2012-2013 (Proposed)

Note 44 :

Previous year figures have been regrouped/reclassified wherever necessary to make them comparable.

As per our attached Report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Reg No. I03523W

Amit Hundia

Partner

Membership No. I20761

Place : Mumbai

Date : 30th April, 2015

For and on behalf of the Board of Directors

Motilal Oswal Financial Services Ltd.

Motilal Oswal

Chairman & Managing Director

Raamdeo Agarawal

Joint Managing Director

Sameer Kamath

Chief Financial Officer

Loans and Advances in the nature of loans to holding and subsidiaries disclosed pursuant to Clause 32 of the Listing Agreement

(₹ in millions)

Name of the Company	Balance on 31st March, 2015	Maximum Outstanding during the year
Motilal Oswal Real Estate Investment Advisors II Private Limited	0.01	13.91
Motilal Oswal Commodities Broker Private Limited	20.02	120
Motilal Oswal Asset Management Company Limited	36.33	142.72
Motilal Oswal Insurance Brokers Private Limited	4.81	5.81
Motilal Oswal Capital Markets Private Limited	–	0.1
Motilal Oswal Investment Advisors Private Limited	43.13	130.18
Motilal Oswal Securities International Private Limited	–	0.29
MOPE Investment Advisors Private Limited (formerly known as Motilal Oswal Private Equity Advisors Private Limited)	0.02	108.99
Aspire Home Finance Corporation Limited	–	40.07
Passionate Investment Management Private Limited	–	18.41
Motilal Oswal Real Estate Investment Advisors Private Limited	0.88	0.88
Motilal Oswal Wealth Management Limited (formerly known as Motilal Oswal Wealth Management Private Limited)	0.06	16.67
Motilal Oswal Securities Limited	0.00	749.64

For and on behalf of the Board of
Motilal Oswal Financial Services Ltd.

Motilal Oswal
Chairman & Managing Director

Raamdeo Agarawal
Joint Managing Director

Place : Mumbai
Date : 30th April, 2015

Sameer Kamath
Chief Financial Officer

To
The Members of Motilal Oswal Financial Services Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Motilal Oswal Financial Services Limited ("the Company") and its subsidiaries and associate (the Company, its subsidiaries and associate together constitute "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 control relevant to the 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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 the financial statements of the subsidiaries noted below and management approved accounts of an 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 as at March 31, 2015, its consolidated profit and its consolidated cash flows for the year ended on that date.

Other Matter

1. We did not audit the financial statements of twelve subsidiaries which reflect total assets of ₹ 8,649.23 million as at March 31, 2015, total revenues of ₹ 1,934.50 million and net cash outflows amounting to ₹ 11.79 million for the year then ended. These

financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion, in so far as it relates to the affairs of such subsidiaries is based solely on the reports of the other auditors.

2. The financial statements of one associate which reflect total assets of ₹ 2,899.87 million as at March 31, 2015, total revenues of ₹ 187.47 million and net cash inflow of ₹ 437.26 million for the year then ended were unaudited and were approved by the management of that respective entity. We have not reviewed the financial statements of this associate and have relied on such management approved accounts.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding Company and subsidiary companies incorporated in India, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. The Order is yet to be notified in the Gazette of India.
- 2) As required by Section 143(3) of the Act, 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 purposes 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 by the Company so far as it appears from our examination of those books and the reports of the other auditors;
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its subsidiaries- refer Note 28.5 to the consolidated financial statements;
 - ii. The Company and its subsidiaries did not have any material foreseeable losses on long term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiaries incorporated in India.

For **HARIBHAKTI & CO. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W

Amit Hundia

Partner

Membership No. 120761

Place: Mumbai

Date: April 30, 2015

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' in 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 March 31, 2015]

- (i) (a) The Group have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 (b) During the year, except in case of parent company and three subsidiary companies, fixed assets have been physically verified by the management.

There are no fixed assets in case of three subsidiary companies, so, clause (ii) of paragraph 3 of the Order is not applicable to these Companies.

- (ii) (a) As informed to us, in case of one of the subsidiary Companies the inventory (securities) which are held in dematerialized form have been verified by the management.. In our opinion, the frequency of verification is reasonable.
 (b) The procedures of verification of inventory (securities) followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 (c) The Company is maintaining proper records of inventory (securities). We are informed that no material discrepancies were noticed on physical verification between the dematerialised stocks and the book records

The Company and other subsidiary companies, did not have inventory so, clause (ii) of paragraph 3 of the Order is not applicable to these Companies.

- (iii) The Company and one of the subsidiary companies have granted unsecured and secured loans respectively to a Company and to an other party covered in the register maintained under Section 189 of the Act.

- (a) 1) The loans are repayable on demand and whenever the loans are called for the Company has received the principal amount and interest accordingly.
 2) According to the information and explanation provided, the other party has been regular in the payment of principal and interest.
 (b) 1) In case of the Company, since there is no stipulation as regards repayment schedule, clause 3(iii)(b) is not applicable.
 2) According to the information and explanation provided, in case of the other party there is no overdue balance as at March 31, 2015.

As informed, remaining subsidiary companies have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3 (iii)(a) and 3 (iii)(b) of the Order are not applicable to these subsidiaries.

- (iv) In our opinion and in the opinion of the auditors of the subsidiaries and according to the information and explanations given by the management of the Group there exists an adequate internal control system commensurate with the size of the respective entities and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of audit, none of us have observed any continuing failure to correct major weaknesses in internal control system of the respective entities.
 (v) In our opinion and in the opinion of the auditors of the subsidiaries and according to the information and explanations given by the management of the Group, the Group have not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
 (vi) The Central Government of India has not prescribed the maintenance of cost records for any of the products of the Group under sub-section (1) of Section 148 of the Act and the rules framed there under.
 (vii) (a) The Group is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it.
 (b) According to the information and explanations given by the management of the Group no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.
 (c) According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess were outstanding, at the year end, for a period of more than six months from the date they became payable except for the entities as mentioned below;

In case of the Company- Motilal Oswal Financial Services Limited

Name of the statute	Nature of dues	Amount (₹ in millions)	Period to which the amount relates (A.Y)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2.27	2007-08	ITAT
Income Tax Act, 1961	Income Tax	1.44	2008-09	ITAT
Income Tax Act, 1961	Income Tax	1.48	2010-11	ITAT
Income Tax Act, 1961	Income Tax	2.40	2011-12	ITAT
Income Tax Act, 1961	Income Tax	2.50	2012-13	CIT(A)

ANNEXURE TO INDEPENDENT AUDITORS' REPORT (Contd..)

In case of subsidiary Company - Motilal Oswal Securities Limited

Name of the statute	Nature of dues	Amount (₹ in millions)	Period to which the amount relates (A.Y)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	25.16	2008-09	ITAT
Income Tax Act, 1961	Income Tax	17.52	2009-10	ITAT
Income Tax Act, 1961	Income Tax	10.18	2010-11	ITAT
Income Tax Act, 1961	Income Tax	19.81	2011-12	ITAT
Income Tax Act, 1961	Income Tax	9.19	2012-13	CIT(A)

In case of subsidiary Company – MOPE Investment Advisors Private Limited

Name of the statute	Nature of dues	Amount (₹ in millions)	Period to which the amount relates (A.Y)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.23	2012-13	CIT(A)

- (d) According to the information and explanations given by the management of the Group, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group, wherever applicable.
- (viii) Except for four subsidiaries as stated here under, the Company and its other subsidiaries, did not have accumulated losses at the end of the financial year nor has incurred cash losses in the current and immediately preceding financial year:
- In case of one subsidiary, as reported by auditor of that entity, accumulated losses at the end of current financial year is more than 50% of the net worth of the that Company and it has incurred cash losses in the current and in the immediately preceding financial year.
 - In case of one subsidiary, as reported by auditor of that entity, accumulated losses at the end of current financial year is more than 50% of the net worth of that Company. It has not incurred cash losses in the current financial year; however it has incurred cash losses in the immediately preceding financial year.
 - In case of one subsidiary, as reported by auditor of that entity, accumulated losses at the end of current financial year is not more than 50% of the net worth of that Company. It has not incurred cash losses in the current financial year; however it has incurred cash losses in the immediately preceding financial year.
 - In case of one subsidiary, as reported by auditor of that entity, accumulated losses at the end of current financial year is not more than 50% of the net worth of that Company. It has incurred cash losses in the current financial year; however it has not incurred cash loss in the immediately preceding financial year.
- (ix) According to the information and explanations given by the management of the Group, the Group have not defaulted in repayment of dues to financial institution(s), bank(s) or debenture holder(s).
- (x) According to the information and explanations given by the management of the Group, the respective entities have not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) According to the information and explanations given by the management to the auditor of one of the subsidiaries, that subsidiary has taken term loans, which have been applied for the purpose for which the loans were obtained.
The Company and other subsidiary companies have not obtained any term loans; therefore clause (xi) of paragraph 3 is not applicable to these companies.
- (xii) During the course of examination of the books and records of the Group carried out, by the respective auditors in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to each of us, we have neither come across any instance of fraud on or by the respective entities, noticed or reported during the year, nor have we been informed of any such instance by the management of the Group.

For **HARIBHAKTI & CO. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W

Amit Hundia

Partner

Membership No. 120761

Place: Mumbai

Date: April 30, 2015

CONSOLIDATED BALANCE SHEET

	Note No.	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
I. EQUITY & LIABILITIES			
(1) Share Holders' Funds :			
Share Capital	1	140.16	138.17
Reserves and Surplus	2	12,808.35	11,564.76
TOTAL	(A)	12,948.51	11,702.93
(2) Minority Interest	(B)	62.87	50.81
(3) Non-Current Liabilities :			
(a) Long term borrowings	4	3,005.55	—
(b) Deferred Tax Liabilities (Net)	5	120.35	116.66
(c) Other long term liabilities	6	26.16	21.23
(d) Long term provisions	7	82.44	43.77
TOTAL	(C)	3,234.50	181.66
(4) Current Liabilities :			
(a) Short term borrowings	8	4,850.66	0.81
(b) Trade payables	9	6,274.93	5,646.84
(c) Other current liabilities	10	1,287.81	335.60
(d) Short-term provisions	11	788.70	513.45
TOTAL	(D)	13,202.10	6,496.70
TOTAL	(A+B+C+D)	29,447.98	18,432.10
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed assets:	12		
(i) Tangible Assets		2,942.44	3,014.02
(ii) Intangible Assets		58.82	56.45
(iii) Capital work-in-progress		—	1.82
(b) Non-Current investments	13	7,940.13	2,225.94
(c) Long term Loans and Advances	14	3,969.63	281.31
(d) Other non-Current Assets	15	10.69	24.22
TOTAL	(E)	14,921.71	5,603.76
(2) Current Assets			
(a) Current Investments	16	200.01	704.38
(b) Inventories	17	0.04	606.31
(c) Trade receivables	18	5,899.74	4,813.61
(d) Cash and bank balances	19	2,719.47	1,677.75
(e) Short-term Loans and Advances	20	5,635.56	4,997.60
(f) Other Current Assets	21	71.45	28.69
TOTAL	(F)	14,526.27	12,828.34
TOTAL	(E+F)	29,447.98	18,432.10
Significant accounting policies	27		
Notes forming part of accounts	28		

Notes referred to above form an integral part of the Consolidated Financial Statements
As per our attached Report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Reg No. 103523W

Amit Hundia
Partner
Membership No. 120761
Place : Mumbai
Date : 30th April, 2015

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

Motilal Oswal
Chairman & Managing Director

Raamdeo Agarawal
Joint Managing Director

Sameer Kamath
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

	Note No.	For the year ended 31-Mar-15 ₹ in Millions	For the year ended 31-Mar-14 ₹ in Millions
REVENUE			
Income from Operations	22	7,719.15	4,639.83
Other Income	23	35.13	41.46
TOTAL REVENUE	(A)	7,754.28	4,681.29
EXPENDITURE			
Employee Benefits Expense	24	1,898.45	1,273.25
Finance Cost	25	309.41	28.61
Depreciation and amortisation	12	306.71	242.65
Other Expenses	26	3,260.80	1,986.00
TOTAL EXPENSES	(B)	5,775.37	3,530.51
Profit before Exceptional Item and Tax	(C) = (A) - (B)	1,978.91	1,150.78
Exceptional Items	(D) 28.28	-	(555.86)
Profit before Taxation	(E=C+D)	1,978.91	594.92
Less: <u>Provision for Taxation</u>			
i) For current year			
Current tax		547.94	235.94
Minimum Alternate Tax Credit Entitlement		(31.33)	(0.89)
Deferred tax (Refer note 5)		12.27	(62.41)
Tax Impact on NCD		2.86	-
Tax Impact on Transitional Depreciation		8.64	-
ii) For Previous year(s)		(17.09)	6.60
		523.29	179.24
Profit for the year before Minority Interests		1,455.62	415.68
Less : Minority interests		(19.80)	(20.51)
Profit for the year		1,435.82	395.17
Consolidated Earnings Per share (₹)	28.19		
Basic Earnings per share after Extraordinary Items (Face Value of share ₹ 1 each)		10.34	2.95
Diluted Earnings per share after Extraordinary Items (Face Value of share ₹ 1 each)		10.10	2.81
Significant accounting policies	27		
Notes forming part of accounts	28		

Notes referred to above form an integral part of the Consolidated Financial Statements
As per our attached Report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Reg No. 103523W

Amit Hundia
Partner
Membership No. 120761
Place : Mumbai
Date : 30th April, 2015

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

Motilal Oswal
Chairman & Managing Director

Raamdeo Agarawal
Joint Managing Director

Sameer Kamath
Chief Financial Officer

CONSOLIDATED CASH FLOW STATEMENT

	For the Year ended 31-Mar-15 ₹ in Millions	For the Year ended 31-Mar-14 ₹ in Millions
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,978.89	594.75
Add : Employee Stock Option Compensation Cost	–	0.01
Depreciation	306.71	242.65
Provision on standard & sub standard Assets	7.94	62.50
Bad debts written off	123.11	–
Interest Expenses	69.96	28.61
Less : Loss / (Profit) on Sale of Fixed Assets (Net)	0.01	(2.31)
Interest Income	(6.95)	(24.23)
Dividend Income	(6.15)	(64.21)
Foreign Currency Translation Reserve	(1.38)	(4.84)
NCD issue exp Written off from Reserve and surplus	(5.56)	–
	2,466.58	832.93
Adjustment for working capital changes		
(Increase) / Decrease In Trade receivables	(1,209.23)	(285.01)
(Increase) / Decrease In Stock-in-trade	606.26	849.36
(Increase) / Decrease Short Term In Loans & Advances	(637.28)	(42.36)
(Increase) / Decrease In Long Term Loans & Advances	(3,539.78)	2.25
(Increase) / Decrease In Other Non Current Assets and Other Current Assets	(29.23)	(5.96)
Increase / (Decrease) in Other Trade Payable	628.07	884.91
Increase / (Decrease) in Other Current Liabilities	951.44	77.88
Increase / (Decrease) in Short Term Borrowing	3,123.32	0.81
Increase / (Decrease) in Other Long Term Liabilities	4.93	21.23
Increase / (Decrease) in Long Term Provision	38.66	(4.88)
Increase / (Decrease) in Short Term Provision	239.91	4.77
(Increase) / Decrease In non current investments	(5,717.27)	(1,141.80)
(Increase) / Decrease In current investments	504.37	(449.31)
(Increase) / Decrease in Fixed Deposit (More than 3 months) / Non cash & cash equivalents	57.51	992.71
Cash Generated from Operations	(2,511.74)	1,737.54
Taxes Paid	(646.00)	(335.12)
Net Cash generated from / (Used In) Operating Activities	(3,157.74)	1,402.42
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (including CWIP)	(263.86)	(79.89)
Sale of Fixed Assets	1.37	35.33
Interest Income	6.95	24.23
Dividend Income	6.15	64.21
Net Cash Flow From / (Used In) Investing Activities	(249.39)	43.88

CONSOLIDATED CASH FLOW STATEMENT (Contd..)

	For the Year ended 31-Mar-15 ₹ in Millions	For the Year ended 31-Mar-14 ₹ in Millions
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds / (Repayment) of Borrowing	4,732.09	(28.61)
Issue of Equity Share Capital	2.00	–
Buy back of Equity Share Capital	(0.01)	(7.07)
Premium on issue of Equity Share Capital	330.52	–
Premium on Buy back of Equity Share Capital	(0.24)	(552.79)
Dividend Paid (Including DDT)	(488.09)	(307.73)
Change in Unclaimed Dividend account	(0.77)	–
Interest Expenses	(69.96)	–
Net Cash Flow From / (Used In) Financing Activities	4,505.54	(896.20)
Net Increase in Cash / Cash Equivalents	1,098.41	550.10
Cash & Cash Equivalents as at beginning of the year		
Cash Balance on Hand	11.17	1.73
Fixed Deposit with Banks (less than 3 month Maturity)	1,130.33	841.72
Cheques on hand	–	111.12
Schedule Bank - Current accounts	476.10	112.93
Total Cash & Cash Equivalents as at beginning of the year	1,617.60	1,067.50
Cash & Cash Equivalents as at end of the year		
Cash Balance on Hand	2.30	11.17
Fixed Deposit with Banks (less than 3 month Maturity)	1,790.64	1,130.33
Cheques on hand	–	–
Schedule Bank - Current accounts	923.12	476.10
Total Cash & Cash Equivalents as at end of the year	2,716.06	1,617.60

As per our attached Report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Reg No. 103523W

Amit Hundia

Partner

Membership No. 120761

Place : Mumbai

Date : 30th April, 2015

For and on behalf of the Board of Directors

Motilal Oswal Financial Services Ltd.

Motilal Oswal

Chairman & Managing Director

Raamdeo Agarawal

Joint Managing Director

Sameer Kamath

Chief Financial Officer

Note I : Share Capital

	As at 31-Mar-15		As at 31-Mar-14	
	Numbers	₹ in Millions	Numbers	₹ in Millions
Authorised				
870,000,000 Equity Shares of ₹ 1 each	870,000,000	870.00	870,000,000	870.00
5,000,000 Redeemable Preference Shares of ₹ 100 each	5,000,000	500.00	5,000,000	500.00
TOTAL	875,000,000	1,370.00	875,000,000	1,370.00
Issued, Subscribed & Paid Up				
Equity Shares of ₹ 1/- each fully paid up (Of the above, 7,67,92,394 shares (Previous Year 7,67,92,394) held by holding Company Passionate Investment Management Private Ltd.)	140,162,675	140.16	138,165,831	138.17
TOTAL	140,162,675	140.16	138,165,831	138.17

I.1 Equity Shares :

The Company has one class of equity shares having a par value of ₹ 1/-. 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.

During the year ended March 31, 2015, the amount of per share dividend recognised as distributions to equity shareholders was ₹ 3/-.

The dividend for the year ended March 31, 2015 includes ₹ 1/- per share for final dividend (previous year ₹ 1/- per share) & ₹ 2/- per share for interim dividend (previous year ₹ 1/- per share). The total dividend appropriated amounts to ₹ 419.61 millions (previous year ₹ 273.20 millions) Including corporate dividend tax of ₹ 5.50 millions (previous year ₹ 0.06 millions).

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 one class of preference shares having a par value of ₹ 100/- and there are no preference shares issued & subscribed as on 31.03.2015 and 31.03.2014.

Terms and conditions of Preference shares are not yet crystallised. The same will be decided at the time of issuance of such shares.

I.2 Reconciliation of number of shares outstanding

	As at 31-Mar-15		As at 31-Mar-14	
	Numbers	₹ in Millions	Numbers	₹ in Millions
Number of share at beginning of the year	138,165,831	138.17	145,235,776	145.24
Add: Share issued on exercise of employee stock options	1,999,600	2.00	—	—
Less: Buy Back of shares	2,756	0.01	7,069,945	7.07
Number of Share at the end of the year	140,162,675	140.16	138,165,831	138.17

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

1.3 Share holder having more than 5% equity share holding in the Company

Share Holder	As at 31-Mar-15		As at 31-Mar-14	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Passionate Investment Management Private Limited	76,792,394	54.79%	76,792,394	55.58%
Mr. Motilal Oswal	12,110,476	8.64%	12,110,476	8.77%
Mr. Raamdeo Agarawal	11,828,100	8.44%	11,828,100	8.56%
HDFC Trustee Company Limited - HDFC Mutual Fund	–	–	9,284,450	6.72%
Mr. Navin Agarwal	7,804,010	5.57%	7,804,010	5.65%

1.4 Aggregate number of shares

Particulars	2015	2014	2013	2012	2011	2010
Allotted as fully paid up without payment being received in cash	–	–	112,907	700,240	984,463	989,066
bought back	2,756	7,069,945	–	–	–	–
Issued as bonus	–	–	–	–	–	–

Note: Refer Note No. 28.36 for Disclosure relating to Employees Stock Option purchase Plan.

Note 2: Reserves & Surplus

	As at 31-Mar-15		As at 31-Mar-14	
	₹ in Millions	₹ in Millions	₹ in Millions	₹ in Millions
1. Capital Reserve				
Opening balance	510.49		505.38	
Addition /(Deduction) during the year	(0.29)	510.20	5.11	510.49
2. Capital Redemption Reserve				
Opening balance	102.92		96.00	
Add : Transfer from Statement of Profit & Loss for the year	0.01		7.07	
Less : Prior year adjustment	–	102.93	(0.15)	102.92
3. Securities Premium				
Opening balance	3,692.27		4,245.06	
Add : during the year	330.52		–	
Less : Premium of Buyback of equity shares	(0.24)			
Less : NCD issue exp (net of tax expense of ₹ 2.86 Million)	(5.56)	4,016.99	(552.79)	3,692.27
4. ESOP Outstanding				
Opening balance	1.01		1.00	
Addition during the year	–	1.01	0.01	1.01
5. Statutory Reserve				
Opening balance	565.92		487.30	
Add : Transfer from Statement of Profit & Loss for the year	125.33	691.25	78.62	565.92

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

	As at 31-Mar-15		As at 31-Mar-14	
	₹ in Millions	₹ in Millions	₹ in Millions	₹ in Millions
6. Foreign Currency Translation reserves				
Opening balance	6.53		1.69	
Less : Prior Year's Adjustment	(0.04)		–	
Addition during the year	1.42	7.91	4.84	6.53
7. General Reserve				
Opening balance	581.97		533.45	
Addition during the year	84.31	666.28	48.52	581.97
8. Profit & Loss Account				
Opening balance	6,103.65		6,163.65	
Add : Profit for the Current year	1,435.82		395.01	
Less : Transition Provision of Depreciation (Net of tax effect of ₹ 8.64 Millions)	(17.54)		–	
Less : Proposed Dividend	(140.72)		(134.43)	
Less : Interim Dividend	(278.90)		(138.89)	
Less : Dividend Distribution Tax	(81.06)		(47.57)	
Less : Transfer to Statutory Reserve	(125.33)		(78.62)	
Less : Transfer to Capital Redemption Reserve	(0.01)		(7.07)	
Less : Transfer to General Reserve	(84.31)		(48.52)	
Add : Current year dividend, dividend distribution and other adjustments	0.17	6,811.77	0.09	6,103.65
TOTAL		12,808.35		11,564.76

Note 3: Minority Interest

	As at 31-Mar-15		As at 31-Mar-14	
	₹ in Millions	₹ in Millions	₹ in Millions	₹ in Millions
Motilal Oswal Securities Limited				
Opening Balance	3.24		3.28	
Add: Share of Profit / (Loss) for the year	0.45		0.08	
Less: Shares of Minority in dividend paid & tax thereon	(0.38)		–	
Less : Transferred to MOFSL on its acquisition of shares of MI	(3.31)	–	(0.12)	3.24
Motilal Oswal Commodities Broker Private Limited				
Opening Balance	4.69		4.36	
Add: Share of Profit / (Loss) for the year	(0.32)		0.33	
Less : Transferred to MOFSL on its acquisition of shares of MI	(4.37)	–	–	4.69
MOPE Investment Advisors Private Limited				
Opening Balance	42.67		22.60	
Add: Share of Profit / (Loss) for the year	11.15	53.82	20.08	42.67
Motilal Oswal Investment Advisors Private Limited				
Opening Balance	–		–	
Add: Share of Profit / (Loss) for the year	–	–	–	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

	As at 31-Mar-15		As at 31-Mar-14	
	₹ in Millions	₹ in Millions	₹ in Millions	₹ in Millions
Motilal Oswal Capital Markets Private Limited				
Opening Balance	0.01		0.01	
Add: Share of Profit / (Loss) during the period	–		–	
Less: Transferred to MOSL	(0.01)	–	–	0.01
Motilal Oswal Wealth Management Limited				
Opening Balance	0.04		0.03	
Add: Share of Profit / (Loss) for the year	0.03		0.01	
Less: Transferred to MOSL	(0.07)	–	–	0.04
Motilal Oswal Asset Management Company Limited				
Opening Balance	0.09		0.09	
Add: Share of Profit / (Loss) for the year	0.34		–	
Less : Share of additional investment of minorities	(0.27)		–	
Less: Transferred to MOSL	(0.16)	–	–	0.09
Motilal Oswal Insurance Brokers Private Limited				
Opening Balance	–		–	
Add: Share of Profit / (Loss) for the year	–	–	–	–
Motilal Oswal Securities International Private Ltd.				
Opening Balance	0.04		0.02	
Add: Share of Profit / (Loss) for the year	–		0.02	
Less: Transferred to MOSL	(0.04)	–	–	0.04
Motilal Oswal Capital Markets (Hongkong) Private Limited				
Opening Balance	0.01		0.02	
Add: Share of Profit / (Loss) for the year	(0.00)		–	
Less: Transferred to MOSL	(0.01)	–	(0.01)	0.01
Motilal Oswal Capital Markets (Singapore) Pte Limited				
Opening Balance	0.01		0.00	
Add: Share of Profit / (Loss) for the year	–		0.01	
Less: Transferred to MOSL	(0.01)	–	–	0.01
Motilal Oswal Trustee Company Limited				
Opening Balance	0.00		–	
Add: Share of Profit / (Loss) for the year	0.00		–	
Less: Transferred to MOSL	(0.00)	–	0.00	–
Motilal Oswal Real Estate Investment Advisors Private Limited				
Opening Balance	0.02		–	
Add: Share of Profit / (Loss) for the year	(0.05)		–	
Less: Adjustment	(0.07)		–	
Add: Investment by Minority	0.10	–	0.02	0.02

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

	As at 31-Mar-15		As at 31-Mar-14	
	₹ in Millions	₹ in Millions	₹ in Millions	₹ in Millions
Aspire Home Finance Corporation Limited				
Opening Balance	0.00		0.00	
Add: Share of Profit / (Loss) during the year	–		–	
Add: Investment by Minority	0.01	0.01	–	0.00
India Business Excellence Management Co.				
Opening Balance	–		–	
Add: Share of Profit / (Loss) for the year	8.52		–	
Add: Share of Translation reserve for the year	0.18		–	
Add: Adjustment	0.33	9.03	–	–
Motilal Oswal Real Estate Investment Advisors II Private Limited				
Opening Balance	–		–	
Add: Share of Profit / (Loss) during the year	–		–	
Add: Share of translation reserve for the period	–	–	–	–
TOTAL		62.87		50.81

Note 4 : Long Term Borrowings

	As at 31-Mar-15	As at 31-Mar-14
	₹ in Millions	₹ in Millions
Secured		
Non-Convertible Debenture (NCD)	2,000.00	–
Term Loans		
- from banks	1,100.00	–
Less: Current Maturities of Long Term Borrowings	(94.45)	–
	1,005.55	–
TOTAL	3,005.55	–

- i) Secured Debentures include:
- 1,500 principle protected secured redeemable 10.05 % Non-convertible Debentures (NCD) with face value of ₹ 10,00,000/- each by way of private placement. Secured against first paripasu charge over present and future receivable and immovable property. Series - A ₹ 500 Millions redeemable on 27th November, 2016, Series - B ₹ 500 Millions redeemable on 27th May, 2017, Series - C ₹ 500 Millions redeemable on 27th November 2017.
 - 500 Secured redeemable 11.25% Non-convertible Debentures (NCD) with face value of ₹ 10,00,000/- each. Secured against exclusive charge on housing standard loan to the extent of 110% of the outstanding amount of debentures. Series - A ₹ 500 Millions redeemable on 25th November 2016.
- ii) Term Loans from Banks:
- Loan is taken @ 11% and is secured by way of hypothecation of receivables i.e. loans & advances. Repayment schedule is: Series - A ₹ 515.45 Millions redeemable (1-3 years), Series - B ₹ 289.91 Millions redeemable (3-5 years), Series - C ₹ 294.64 Millions redeemable after 5 years.

Note 5 : Deferred Tax Liabilities (Net)

	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
Deferred Tax Liability		
Difference in WDV of Fixed Assets	246.94	277.76
Deferred Tax Asset		
Disallowances under to Sec 43B	(38.94)	(37.68)
Business Loss	(64.71)	(60.40)
Provision for sub standard and doubtful assets	(0.63)	(57.54)
Preliminary Expenses	(0.05)	(0.11)
Short Term Capital Loss on sale of Investments	–	(3.28)
Long Term Capital Gain / (Loss) on sale of Investments	(1.39)	(2.09)
Accrued Income on investments in units of private equity funds	(2.15)	–
Contingent provision on Std Asset	(18.72)	–
TOTAL	120.35	116.66

Note 6 : Other Long Term Liabilities

	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
Security Deposits	26.16	21.23
TOTAL	26.16	21.23

Note 7 : Long Term Provisions

	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
Provision for Employee Benefits		
– Gratuity Obligation	68.27	43.77
Provision for Contingencies against Standard Assets	14.17	–
TOTAL	82.44	43.77

Note 8 : Short Term Borrowings

	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
Secured		
Loans repayable on demand		
Short Term Loans from Banks	220.04	–
Bank Overdraft	509.26	0.81
Unsecured		
Other Loans & Advances		
Commercial Paper	3,421.36	–
Short Term Loans From Other Financial Institution	700.00	–
TOTAL	4,850.66	0.81

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

i) Short term Loans from banks

It is carrying 11% rate of Interest and is secured by hypothecation of housing loans given by the company. These Loan is repayable on demand.

ii) Bank Overdraft and Commercial Papers

The Same is secured against Mutual Funds / Fixed Deposits / Property pledged with the Banks.

iii) Short Term Borrowings From Other Financial Institutions

Borrowings from Bajaj Finance Ltd secured against approved list of shares and securities and borrowings from Aditya Birla Finance secured against mutual funds of the Company.

Note 9 : Trade Payables

	As at 31-Mar-15		As at 31-Mar-14	
	₹ in Millions	₹ in Millions	₹ in Millions	₹ in Millions
Margin Money Creditors		621.99		573.92
Due to MSMED	–		–	
Due to Others	3,679.49	3,679.49	2,976.18	2,976.18
Other trade payables		1,973.45		2,096.74
TOTAL		6,274.93		5,646.84

Note 10 : Other Current Liabilities

	As at 31-Mar-15		As at 31-Mar-14	
	₹ in Millions	₹ in Millions	₹ in Millions	₹ in Millions
Current Maturities of Long term borrowings		94.45		–
Advance received from customers		1.94		7.09
Income received in advance		1.07		–
Interest accrued and due on borrowings		–		–
Interest accrued and not due on borrowings		103.02		–
Accrued salaries & benefits		78.37		26.55
For other Liabilities				
– Withholding and other taxes payable		96.70		60.87
– For expenses		49.67		44.39
– For capital expenses		3.89		3.67
– Book overdraft from Banks		544.54		9.62
– Rent Deposit		0.18		3.74
– Retention money		0.70		1.28
– Unpaid Dividend		1.36		0.60
– Other Payables				
Due to MSMEO	3.64		0.57	
Due to Others	261.02		177.22	
		264.66		177.79
– Mark to Market Margin - Equity Index / Stock Futures		47.26		–
TOTAL		1,287.81		335.60

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

Note 11 : Short Term Provisions

	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
Provision for Employee Benefits		
– Ex-Gratia Payable	443.98	187.13
– Gratuity Obligation	8.59	24.33
– Leave Salary	3.89	2.70
Others		
– Provision for Contingent Provisions against Standard Assets	12.74	58.21
– Provision for Income Tax (Net of Advance Tax of ₹ 433.13 millions, PY ₹ 111.32 millions)	42.47	19.03
– Proposed Dividend	140.16	138.23
– Provision for Proposed Dividend Distribution Tax	56.99	47.02
– Provision for bad & doubtful debts on non-performing assets	44.07	19.91
– Provision for expenses	35.81	16.89
TOTAL	788.70	513.45

Note 12 : Fixed Assets

(₹ in Millions)

Particulars	GROSS BLOCK					DEPRECIATION						NET BLOCK		
	As on 01.04.2014	Additions	Deductions	Other Adjustments *	As on 31.03.2015	As on 01.04.2014	During the year	Deductions	Transitional Depreciation	Other Adjustments *	As on 31.03.2015	As on 31.03.2015	As on 31.03.2014	
Tangible Assets														
Land	266.74	–	–	–	266.74	–	–	–	–	–	–	266.74	266.78	
Building	2,790.66	44.30	0.18	–	2,834.78	343.19	130.72	0.00	6.26	–	480.16	2,354.62	2,447.47	
Electrical Equipments	52.20	3.56	–	–	55.77	13.31	10.05	–	–	–	23.36	32.40	38.90	
Furniture & Fittings	151.21	26.51	–	–	177.72	95.71	19.05	–	–	0.22	114.98	62.74	55.50	
Vehicles	41.53	5.40	5.04	–	41.89	27.62	4.41	3.94	0.18	–	28.27	13.62	13.90	
Office Equipments	284.34	17.13	–	(17.46)	318.93	152.73	54.02	–	7.71	(11.56)	202.90	116.03	131.61	
Computer	270.46	134.04	–	15.89	385.46	210.60	54.94	–	12.03	11.60	289.16	96.29	59.86	
Total (A)	3,857.14	230.94	5.22	(1.57)	4,081.28	843.16	273.19	3.94	26.18	0.24	1,138.83	2,942.44	3,014.02	
Intangible Assets														
Goodwill	9.00	–	–	–	9.00	9.00	–	–	–	–	9.00	–	–	
Computer Software	242.71	30.41	–	1.57	271.55	186.76	29.70	–	–	–	216.46	55.09	55.67	
Customer Rights	68.35	4.34	–	–	75.22	68.35	3.57	–	–	–	71.92	3.30	(0.00)	
Membership Cards	66.43	–	0.10	–	66.33	65.96	0.15	0.00	–	–	66.11	0.22	0.46	
Licences	0.52	–	–	–	0.52	0.20	0.10	–	–	0.01	0.31	0.21	0.32	
Total (B)	387.01	34.75	0.10	1.57	422.62	330.27	33.52	0.00	–	0.01	363.79	58.82	56.45	
TOTAL (A+B)	4,244.15	265.69	5.32	–	4,503.90	1,173.43	306.71	3.94	26.18	0.25	1,502.63	3,001.26	3,070.47	

* Other Adjustments refers re-classification of assets in to respective block of assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

PREVIOUS YEAR 2013-2014

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK		
	As on 01.04.2013	Additions	Deductions	Other Adjustments *	As on 31.03.2014	As on 01.04.2013	During the year	Deductions	Transitional Depreciation	Other Adjustments *	As on 31.03.2014	As on 31.03.2014	As on 31.03.2013
Tangible Assets													
Land	266.74	–	–	–	266.74	–	–	–	–	–	–	266.78	266.74
Building	2,632.20	18.01	24.67	165.12	2,790.66	199.61	137.34	(8.92)	–	2.68	343.19	2,447.47	2,432.58
Electrical Equipments	51.96	0.24	–	–	52.20	7.09	6.22	–	–	–	13.31	38.90	44.87
Furniture & Fittings	158.00	0.83	7.62	–	151.21	88.16	13.32	5.77	–	–	95.71	55.50	69.84
Vehicles	49.43	1.83	9.74	–	41.53	27.35	5.26	4.98	–	–	27.62	13.90	22.09
Office Equipments	292.54	2.37	10.57	–	284.34	139.14	21.53	7.94	–	–	152.73	131.61	153.40
Computer	389.94	23.39	142.87	–	270.46	327.00	23.20	139.60	–	–	210.60	59.86	62.94
Total (A)	3,840.81	46.67	195.47	165.12	3,857.14	788.35	206.87	149.37	–	2.68	843.16	3,014.02	3,052.46
Intangible Assets													
Goodwill	9.00	–	–	–	9.00	9.00	–	–	–	–	9.00	–	–
Computer Software	211.53	31.18	–	–	242.71	154.23	32.78	–	–	–	186.76	55.67	57.30
Customer Rights	68.35	–	–	–	68.35	68.35	–	–	–	–	68.35	–	–
Membership Cards	66.33	0.10	–	–	66.43	65.81	0.15	–	–	–	65.96	0.46	0.52
Licences	0.42	0.10	–	–	0.52	0.09	0.11	–	–	–	0.20	0.32	0.33
Total (B)	355.63	31.38	–	–	387.01	297.48	33.04	–	–	–	330.27	56.45	58.15
TOTAL	4,196.44	78.05	195.47	165.12	4,244.15	1,085.83	239.91	149.37	–	2.68	1,173.43	3,070.47	3,110.61

* Other adjustments represents transfer of building as investment property

Note 13 : Non-Current Investments - At cost

Sr. No.	Name of the Body Corporate	Associate / Others	No. of Shares / Units		Face Value	Quoted / Un-quoted	Partly Paid / Fully paid up	Amount (₹ in millions)	
			31-Mar-15	31-Mar-14				31-Mar-15	31-Mar-14
	Non Trade Investments								
a)	Investment in equity instruments								
	Central Depository Services India Ltd	Others	100	100	0.01	Unquoted	Fully paid up	–	–
	AU Finance (India) Limited	Others	546,966	546,966	10	Unquoted	Fully paid up	188.70	188.70
	MF Utilities India Pvt. Ltd.	others	500,000	–	1	Unquoted	Fully paid up	0.50	–
	Shubham Housing Development Finance Co Pvt Ltd	others	21,377	–	10	Unquoted	Fully paid up	18.05	–
	Infosys Limited	others	71,478	–	5	Quoted	Fully paid up	153.66	–
	Shriram New Horizons Limited	others	750,000	–	10	Unquoted	Fully paid up	101.25	–
b)	Investment in preference shares								
	14.625% Cumulative redeemable shares of Edelwiess Finance & Investment Limited	Others	4,190,000	4,190,000	10	Unquoted	Fully paid up	63.85	63.85
	Compulsary Convertible shares of Shubham Housing Development Finance Co Pvt Ltd	Others	220,275	–	10	Unquoted	Fully paid up	185.95	–
c)	Investments in Debentures or Bonds								
	CNF Nifty Index of ₹ 100,000/- each Citicorp Finance (India) Limited	Others	170	170	100,000	Unquoted	Fully paid up	17.00	17.00
	Shankheshwar Properties Private Limited	Others	16	12	10,000,000	Unquoted	Fully paid up	87.79	112.45
	Sai Ashray Developers Private Limited	Others	–	20	10,000,000	Unquoted	Fully paid up	0.00	200.00
	Gajira Home Makers Private Limited	Others	10	10	10,000,000	Unquoted	Fully paid up	35.40	100.00
	Akshaya Private Limited	Others	3	–	10,000,000	Unquoted	Fully paid up	30.00	–
	Rajesh Estates And Nirman Pvt. Ltd.		11	–	10,000,000	Unquoted	Fully paid up	110.00	–

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

Sr. No.	Name of the Body Corporate	Associate / Others	No. of Shares / Units		Face Value	Quoted / Un-quoted	Partly Paid / Fully paid up	Amount (₹ in millions)	
			31-Mar-15	31-Mar-14				31-Mar-15	31-Mar-14
d)	Investments in Partnership Firm / LLP								
	Emerging Manager Group LP	Others	234,200	234,200	–	Unquoted	Fully paid up	13.35	15.58
	Less: Share of loss							1.68	2.23
	Closing balance							11.67	13.35
	Contrarian Vriddhi Fund I							–	–
	Add: Purchase during the year	Others	1,000	–	2,000	Unquoted	Fully paid up	2.00	–
	Closing balance							2.00	–
e)	Investments in Associate								
	India Reality Excellence Fund II LLP	Associate							
	Opening Balance		8,301	5,001	100,000	Unquoted	Partly paid up	351.45	–
	Add: Contribution during the year							273.70	350.10
	Add: Refund during the year							–138.19	–
	Add: Share of Profit							22.97	1.35
	Closing balance							509.93	351.45
f)	Investment in Private Equity Funds								
	(i) Reliance Alternative Investments Fund - Private Equity Scheme I	Others	1,500,000	1,500,000	10	Unquoted	Fully paid up	15.00	15.00
	(ii) Aditya Birla Private Equity - Fund I	Others	150,000	150,000	90.20	Unquoted	Partly paid-up	13.53	14.36
	(iii) India Business Excellence Fund	Others	450	450	1,000,000	Unquoted	Partly paid-up	380.06	352.46
	(iv) India Reality Excellence Fund	Others	540	540	1,000,000	Unquoted	Fully paid-up	95.24	113.55
	(v) India Business Excellence Fund II	Others	725,500	725,500	1,000	Unquoted	Fully paid up	291.44	143.34
	(vi) India Business Excellence Fund II - C Class Units	Others	1000	–	100	Unquoted	Fully paid up	0.10	–
g)	Investment in Mutual Funds								
	Motilal Oswal MOST Focused Multicap 35 Fund - (Direct Plan - Growth, Dividend Reinvestment & Direct Plan Dividend Payout)	Others	272,457,701	–	10	Unquoted	Fully paid up	3650.00	–
	MOST FOCUSED MIDCAP 30 FUND- (Direct Plan - Growth, Dividend Reinvestment & Direct Plan Dividend Payout)	Others	80,838,098	7,500,000	10	Unquoted	Fully paid up	1226.00	75.00
	Motilal Oswal MOST Focused 25 Fund (Direct Plan - Growth & Dividend Reinvestment)	Others	54,916,051	34,405,556	10	Unquoted	Fully paid up	638.53	350.00
	Most Focused Long Term Fund	Others	190,816	–	–	Unquoted	Fully paid up	2.00	–
h)	Investment Property								
	Opening Balance	–	–	–	–	Unquoted	–	115.43	65.13
	Add: Transfer during the year	–	–	–	–	–	–	0.13	53.30
	Less: Depreciation on Investment Property	–	–	–	–	–	–	(3.09)	(3.00)
	Closing WDV							112.47	115.43
	Total (a+b+c+d+e+f+g+h)							7940.13	2225.94

Details of quoted and unquoted investments:	As at 31-Mar-2015		As at 31-Mar-2014	
	Cost (₹ In millions)	Market Value (₹ In millions)	Cost (₹ In millions)	Market Value (₹ In millions)
Aggregate value of quoted investments and market value	153.66	158.44	–	–
Aggregate value of unquoted investments	7,786.47	Not Applicable	2,225.94	Not Applicable
Aggregate provision for diminution in value of investments	Nil	Not Applicable	Nil	Not Applicable

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

Details of partnership with Emerging Manager Group, LP

Name of partners	Unites Outstanding		Capital Contribution		Percentage Ownership	
	As at 31/03/2015	As at 31/03/2014	As at 31/03/2015	As at 31/03/2014	As at 31/03/2015	As at 31/03/2014
Karan Trehan	3,615,940	3,615,940	\$571,205	\$571,205	36.16%	36.16%
Trehan Family Trust	1,205,318	1,205,318	\$190,401	\$190,401	12.05%	12.05%
Waddell & Reed Financial	2,341,917	2,341,917	\$5,000,000	\$5,000,000	23.42%	23.42%
Custodian Holding Inc.	668,147	668,147	\$174,571	\$174,571	6.68%	6.68%
White Williams Holdings	551,143	551,143	\$396,000	\$396,000	5.51%	5.51%
Viking One Corp	371,198	371,198	\$145,392	\$145,392	3.71%	3.71%
Vidya AG	296,958	296,958	\$467	\$467	2.97%	2.97%
Motilal Oswal Securities Ltd.	234,200	234,200	\$500,000	\$500,000	2.34%	2.34%
Robert Turner	217,738	217,738	\$500,000	\$500,000	2.18%	2.18%
Cross Ridge Capital LLC	137,952	137,952	\$80,000	\$80,000	1.38%	1.38%
Patrick Farrell	137,952	137,952	\$80,000	\$80,000	1.38%	1.38%
Christopher McHugh	109,572	109,572	\$250,000	\$250,000	1.10%	1.10%
Emerging Managers Capital Management LLC	68,644	68,644	\$1,500	\$1,500	0.69%	0.69%
The Chalice Fund LP	43,321	43,321	\$100,000	\$100,000	0.43%	0.43%
TOTAL	10,000,000	10,000,000	\$7,989,536	\$7,989,536	100.00%	100.00%

Note :- Emerging Manager Group follows accounting Year different from that of the company having year ended December 2014 and loss for the quarter ending March 2015 has been recognised based on unaudited financials.

Note 14 : Long Term Loans and Advances

	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
Secured, Considered good		
Loans to Others		
Standard Assets	3,541.87	–
Unsecured, Considered good		
– Rent, Electricity and other deposits	58.52	61.17
– Capital Advances	16.44	10.03
– Deposits with Exchange	14.05	14.05
Other Loans & Advances		
– Prepaid Exp	5.83	1.55
– Balance with Government Authorities	11.44	19.93
– Loan to staff	1.35	2.98
– Advance Tax (Net of Provision of ₹ 2,096.95 millions, PY ₹ 1,474.58 millions)	304.77	171.60
– MAT credit entitlement	15.36	–
TOTAL	3,969.63	281.31

Note 15: Other Non Current Assets

	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
Other Bank balances		
– Fixed deposits (maturity more than 12 months)*	9.85	24.22
– Accrued Interest on Fixed deposits (maturity more than 12 months)	0.84	–
TOTAL	10.69	24.22

* Fixed Deposit of ₹ 5 million (PY ₹ 5 million) has been pledged against overdraft facility from HDFC Bank Ltd.

Note 16 : Current Investment (Non-Trade)

	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
Investment in Mutual Funds Liquid Schemes (Face Value ₹ 1,000)	200.00	704.38
Other investments	0.01	–
TOTAL	200.01	704.38

Details of quoted and unquoted investments:	As at 31-Mar-2015		As at 31-Mar-2014	
	Cost (₹ In millions)	Market Value (₹ In millions)	Cost (₹ In millions)	Cost (₹ In millions)
Aggregate value of quoted investments and market value	–	Not Applicable	–	Not Applicable
Aggregate value of unquoted investments	200.01	Not Applicable	704.38	Not Applicable
Aggregate provision for diminution in value of investments	Nil	Not Applicable	Nil	Not Applicable

Note 17 : Inventories (At Cost)

	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
Equity Shares	0.04	573.67
Exchange Traded Funds	–	32.64
Stock in Trade - Commodities	–	45.92
Less: Stock in trade written off	–	(45.92)
TOTAL	0.04	606.31
Aggregate value of Stock in trade		
At book value	0.04	606.31
At market value	0.04	641.11

Note 18 : Trade Receivables

	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
Unsecured, Considered Good, Unless otherwise stated		
a) Outstanding for a period less than six months from the date they are due for payment	1,439.85	1,591.04
b) Outstanding for a period exceeding 6 months from the date they are due for payment	2,214.72	2,234.82
Less : provision for doubtful debts	(60.47)	(10.46)
A	3,594.10	3,815.40
Secured, Considered Good *		
a) Outstanding for a period less than six months from the date they are due for payment	2,294.16	975.44
b) Outstanding for a period exceeding 6 months from the date they are due for payment	11.48	22.77
B	2,305.64	998.21
Total	(A+B) 5,899.74	4,813.61

* Secured towards securities given as collateral by the customers.

Note 19 : Cash and bank balances

	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
Cash and cash equivalents		
Cash on hand	2.30	11.17
Balance with banks		
In current accounts	923.12	476.10
In Fixed Deposit with maturity less than three month*	1,790.64	1,130.33
A	2,716.06	1,617.60
Other Bank balance		
Long term deposit with maturity more than three months but less than twelve months	2.05	59.55
Unpaid Dividend Account	1.36	0.60
B	3.41	60.15
TOTAL	(A+B) 2,719.47	1,677.75

* Fixed Deposit of ₹ 98.17 millions (P.Y ₹ 32.35 millions) is under lien with Exchange.

* Fixed Deposit of ₹ 832.50 millions (P.Y ₹ 725.00 millions) is under lien with banks against borrowings.

* Fixed Deposit of ₹ 5.00 millions (P.Y ₹ 5.00 millions) has been pledged against overdraft facility from HDFC Bank Ltd.

Note 20 : Short Term Loans and Advances

	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
Secured, considered good, unless otherwise stated		
Loans to Others		
Standard Assets	4,535.89	4,073.18
Sub-Standard Assets		
Non Performing Assets (Debts outstanding for a period exceeding six months, but less than twenty four months)	370.87	0.67
Doubtful Assets		
Non Performing Assets (Debts outstanding for a period exceeding twenty four months)	22.50	22.50
Unsecured, considered good, unless otherwise stated		
Loans to Others		
Standard Assets	379.47	308.41
Sub-Standard Assets		
Non Performing Assets (Debts outstanding for a period exceeding six months, but less than twenty four months)	2.33	14.41
Advances		
– Prepaid Exp	39.59	24.34
– For supply of services	34.07	10.87
– Loan & Advances to employees	10.29	6.34
– Tax / VAT Credit Receivable	71.98	75.28
– Option premium	–	144.89
Advance Tax (Net of Provision of ₹ 231.87 millions, PY ₹ 20.45 millions)	18.13	9.54
MAT credit entitlement	1.21	9.13
Deposits with exchange	131.42	270.99
Other deposits	17.81	27.05
TOTAL	5,635.56	4,997.60

Note 21 : Other Current Assets

	As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
Interest Accrued on Fixed Deposit	47.08	8.55
Stock of Stamps	2.38	1.14
Others	21.99	19.00
TOTAL	71.45	28.69

Note 22 : Revenue from Operations

	For the Year ended 31-Mar-15 ₹ in Millions	For the Year ended 31-Mar-14 ₹ in Millions
(a) Income from Operations		
Brokerage and related activities	4,449.29	2,647.50
Investment Banking fees	193.23	67.52
Share of Profit From Associate (IREF II LLP)	22.97	–
Fund based income	1,210.10	930.47
Share of Profit / (Loss) From Partnership Firm	(1.69)	(0.97)
Asset Management & Advisory Fees	1,267.48	756.06
A	7,141.38	4,400.58
(b) Other Operating Revenue		
FD Interest	323.84	176.40
Others	253.92	62.85
B	577.76	239.25
TOTAL	7,719.15	4,639.83

Note 23 : Other Income

	For the Year ended 31-Mar-15 ₹ in Millions	For the Year ended 31-Mar-14 ₹ in Millions
Dividend Income	10.41	22.65
Profit / (Loss) on sale of Investments	9.72	0.19
Profit / (Loss) on sale of Fixed Assets	(0.01)	3.24
Interest Income	7.10	2.77
Prior year income (Refer Note no. 28.34)	2.28	5.61
Other non operating Income	5.63	6.98
TOTAL	35.13	41.46

Note 24 : Employee Benefits Expense

	For the Year ended 31-Mar-15 ₹ in Millions	For the Year ended 31-Mar-14 ₹ in Millions
Salary, Bonus and Allowances	1,815.20	1,212.64
Gratuity	16.09	6.38
Contribution to provident & other Funds	25.73	18.24
Staff Welfare Expenses	41.43	35.99
TOTAL	1,898.45	1,273.25

Note 25 : Finance Cost

	For the Year ended 31-Mar-15 ₹ in Millions	For the Year ended 31-Mar-14 ₹ in Millions
Interest Cost	273.73	16.42
Other Borrowing Cost	35.68	12.19
TOTAL	309.41	28.61

Note 26 : Other Expenses

	For the Year ended 31-Mar-15 ₹ in Millions	For the Year ended 31-Mar-14 ₹ in Millions
Brokerage / Fees sharing with Intermediaries	1,920.92	1,027.00
Depository Charges	28.53	19.07
Mutual Fund expenses	–	7.37
Rates & Taxes	56.15	25.82
Rent	54.03	45.25
Insurance	13.27	6.58
Repairs	34.87	19.58
Computer Repairs & Maintenance	61.22	52.91
Legal & Professional Charges	128.12	94.97
Remuneration to Auditors	7.40	4.66
Membership & Subscription	4.23	4.31
Data Processing Charges	57.31	37.30
Marketing & Brand Promotion Expenses	119.57	63.43
Advertisement Expenses	58.27	52.65
Printing & Stationery	40.34	29.15
Power and Fuel	80.33	66.96
Communication Expenses	109.12	100.66
Travelling & Conveyance Expenses	149.32	109.74
Donations to Political Parties*	12.10	1.01
CSR Donations	26.55	–
Other Donations	2.15	17.57
Bad Debts Written Off / Trading Loss	123.11	44.15
Provision on Standard & Sub-Standard Assets and on Bad / Doubtful Debts	7.94	62.50
Entertainment Expenses	9.28	6.12
Miscellaneous Expenses	156.71	85.56
Foreign Exchange Fluctuation (net of loss ₹ 0.37 millions PY ₹ 1.10 millions)	(0.04)	(0.23)
Preliminary Expenses w/off	–	2.07
TOTAL	3,260.80	1,986.00

*** Donations to Political Parties**

₹ in Millions

Particulars	For the Year ended 31-Mar-15	For the Year ended 31-Mar-14
Bhartiya Janata Party	11.00	1.00
National Congress Party	0.00	0.01
Shiv Sena	1.10	0.00
Total	12.10	1.01

Note 27 : Consolidated Significant Accounting Policies:

27.1 Basis of Preparation of Financial Statements :

The accompanying consolidated financial statements are prepared under the historical cost convention, on the accrual basis of accounting and comply in all material respects with the accounting standards issued by the Institute of Chartered Accountants of India / accounting standards notified under section 133 of the Companies Act, 2013 (to the extent applicable) and in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 2013.

27.2 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 of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying consolidated financial statements. Any differences of actual results to such estimates are recognized in the period in which the results are known / materialized.

27.3 Conversion to Indian Rupees:

In case of financial statements of subsidiaries incorporated outside India, all income and expense items are converted at the average rate of exchange applicable for the period. All assets and liabilities are translated at the closing rate as on the balance sheet date. The exchange difference arising out of the year-end translation is debited or credited to Translation Reserve and is disclosed under Reserves and surplus. The share capital is carried forward at the rate of exchange prevailing on the transaction date.

27.4 Fixed Assets & Depreciation:

Fixed Assets are stated at cost less accumulated depreciation thereon. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The Company provides pro-rata depreciation from the date on which asset is acquired / put to use. In respect of assets sold, pro-rata depreciation is provided up to the date on which the asset is sold.

On all assets except as mentioned below, depreciation is provided on useful life basis and on pro-rata basis for additions / deletions during the period, in line with Schedule II to the Companies Act, 2013.

- a) Improvements to leasehold premises are depreciated over the initial period of lease.

27.5 Borrowing Cost :

Interest and other costs in connection with the borrowing of the funds to the extent related / attributed to the acquisition / construction of qualifying assets are capitalized up to the date when such assets are ready for its intended use and other borrowing costs are charged to Statement of Profit & Loss.

27.6 Intangible Assets and Amortization:

- a) Expenses incurred on Computer Software having enduring benefits are capitalized and amortized on Straight Line Method (SLM) basis over a period of five years.
- b) Customer Rights acquired by the Company are considered as Intangible asset and amortized over a period of five years on Straight Line Method (SLM) basis from the date of acquisition.
- c) Goodwill acquired by the Company is amortized over a period of three years on Straight Line Method (SLM) basis from the date of acquisition.
- d) 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.

27.7 Investments:

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 intended to be held for less than one year are classified as current investments.

Long term investments are valued at cost and the cost is determined on the basis of the average carrying amount of the total holding of the investment. Provision for diminution in value of long-term investments is made if in the opinion of management such a decline is other than temporary.

Current investments are valued at cost or market/fair value, whichever is lower. Cost is considered on weighted average method.

Units of Mutual Funds (Non - Exchange traded 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.

27.8 Stock In Trade:

Shares / commodities / Exchange Traded Funds are valued at cost or market 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

27.9 Revenue Recognition:

- a) Brokerage income is recognized on trade date basis and is exclusive of service tax and Securities Transaction tax (STT) / Commodities Transaction tax (CTT) wherever applicable.
- b) 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. Sign-on Bonus received is accounted on pro-rata basis in the proportion of business generated to the Minimum Business Guarantee as per the contracted terms.
- c) 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.
- d) Portfolio management fees are billed as per the terms of the respective schemes / agreements entered with the clients:
 - i. In case of management fees (including custodian charges wherever applicable), as a percentage of the asset under management on quarterly / monthly basis.
 - ii. In case of performance based fees, as a percentage of returns on an annual basis.
- e) 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.
- f) Investment Management fees on mutual fund are recognized 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.
- g) Trustee fees are recognized on an accrual basis, based on daily average assets under management (AUM) of the Schemes of Motilal Oswal Mutual Fund.
- h) Advisory fees form 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.
- i) Interest Income is recognized 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.
- j) Dividend income is recognized when the right to receive payment is established.
- k) Training fees is recognised only when it is actually received.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

- l) 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.
- m) The profit / loss on sale of investments are recognized 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.
- n) Profit and Loss from Partnership firm / LLP are accounted on accrual basis and as per terms of respective Partnership / LLP agreement.
- o) Income from arbitrage / proprietary trading comprises profit / loss on sale of securities commodities held as stock-in-trade and profit / loss on related derivative instruments.

Profit / loss on sale of equities / commodities are determined based on the weighted average cost of the equities / commodities sold.

- i. The company has designated the financial assets of these equities / commodities at "fair value through Profit and loss". Such designations are considered by the Company to eliminate / significantly reduce measurement / recognition inconsistency that would otherwise arise. These instruments are measured at fair value and changes therein are recognised in the statement of profit and loss. Directly attributable transaction costs are recognised in the statement of profit and loss as incurred.

Fair value is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, an appropriate valuation technique is used to determine the fair value.

- ii. Derivatives: The company holds derivative instruments to hedge exposure to price risk associated with equities / commodities / currencies instruments. The derivative instruments entered into by the Company are mainly in the nature of options and futures.

Derivatives are recognised at fair value, and resultant changes therein are recognised in the statement of profit and loss. Fair value is determined using quoted market prices in an actively traded market, for the instrument, wherever available, as the best evidence of fair value. In the absence of quoted market prices in an actively traded market, an appropriate valuation technique is used to determine the fair value.

In addition to the above, the Company also does following,

- (a) Initial and additional margin paid over and above initial margin, for entering into contracts for Securities / Currencies and Commodities Index / Stock Futures and / or Securities / Currencies and Commodities Index / stock options which are released on final settlement / squaring-up of underlying contracts, are disclosed under Other Current Assets, Short term Loans and advances "Mark-to-market margin- Equity Index / Stock Futures" representing the amounts paid and amount received is shown under other current liabilities.

- (b) "Option Premium Account" represents premium paid or received for buying or selling the options, respectively.

- iii. In respect to the purchase and sale of commodities in spot exchange (NSEL),

Transactions are accounted as explained below:-

Purchase and corresponding liability is recognised in the financial statements on the date on which the transaction was executed on the exchange and Delivery allocation report were issued by the exchange confirming the identification / allocation of inventory on behalf of the Company.

Sale and corresponding receivable is recognised in the financial statements on the date on which the transaction was executed on the exchange and the Delivery allocation report were issued by the exchange

The margin i.e. difference between the sale price and purchase price of the commodity was recognised entirely in the statement of profit and loss in the period in which the purchase and sale was completed and is presented as part of its operating income under "Income from Arbitrage / proprietary trading".

- p) Rent income is recognized on accrual basis and is as per the terms of agreement with the counter party.

q) 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 on realisation, as per NHB guidelines. Repayment of housing loans is by way of Equated Monthly Installments (EMI) of 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, other charges and other Interest**
 - a. Upfront processing fees are recovered and recognised at the time of disbursement of loan.
 - b. Fees and additional interest income on delayed EMI/Pre-EMI are recognized on receipt basis.
 - c. Income from cheque bouncing charges is recognised on receipt basis.
- r) In respect of other heads of income, income from depository operations etc., the Company accounts the same on accrual basis.

27.10 Commercial Paper:

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

27.11 Foreign Currency Transactions:

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any, arising out of transactions settled during the year are recognised in the Statement of Profit and Loss. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rate on that date. The exchange differences, if any, are recognised in the Statement of Profit and Loss and related assets and liabilities are accordingly restated in the balance sheet.

Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

27.12 Employee Benefits:

Provident Fund: Contribution payable to the recognized provident fund, which is a defined contribution scheme, is charged to the Statement of Profit and Loss in the period in which they occur.

Gratuity: Gratuity is post employment benefit and is in the nature of Defined Benefit Plan. The Liability recognized 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 unrecognized 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.

Compensated Absences: As per the policy of the company, an employee can carry forward maximum 50% of the annual leave entitlement. No leave is allowed to be encashed. An obligation arises as employees render service that increases 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 recognizes 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.

27.13 Taxation:

Tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law), 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 for the accounting year in accordance with the Income Tax Act, 1961.

Minimum Alternate Tax: In case the company is liable to pay income tax u/s 115 JB of the Income Tax Act, 1961, the amount of tax paid in excess of normal income tax is recognized as asset (MAT credit Entitlement) only if there is convincing evidence for realization of such asset during the specified period. MAT credit entitlement is reviewed at each Balance Sheet date.

Deferred Tax: The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized 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 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.

27.14 Sign on Bonus :

Sign on Bonus paid to the employees is accounted under the Loans & Advances in the Balance sheet and debited to Statement of Profit & Loss over the period of minimum employment as agreed.

27.15 Preliminary Expenses:

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

27.16 Operating Leases:

Lease rentals in respect of operating lease are charged to the Statement of Profit and Loss as per the terms of the lease arrangement.

27.17 Mutual Fund Related Expenses:

New Fund Offer expenses: Expenses relating to initial issue of Mutual Fund Schemes of Motilal Oswal Mutual Fund are charged to the Statement of Profit and Loss in the year in which such expenses are incurred.

Recurring fund expenses: Expenses incurred (inclusive of advertisement / brokerage expenses) on behalf of schemes of Motilal Oswal Mutual Fund are recognized 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.

27.18 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. 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.

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.

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.

27.19 Impairment of Assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such 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 which the asset belongs to, 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 recognized 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.

27.20 Benchmarked Linked Debentures:

The Company had issued during earlier financial years certain non-convertible debentures, the return of which is linked to performance of specified indices over the period of the debenture. Such debentures have a component of an embedded derivative which is fair valued at year end. The resultant 'net unrealised loss or gain' on the fair valuation of these embedded derivatives is recognised in the statement of profit and loss. The debt component of such debentures is measured at amortised cost using yield to maturity basis.

27.21 Provisioning on Receivables from Financing Business:

- a) Provision for standard assets is made on the basis of prudential norms prescribed for NBFCs by Reserve Bank of India.
- b) Provision for non performing asset is 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 NBFCs by Reserve Bank of India.

27.22 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 categorized 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 a 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 categorized based on 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 a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated assets / Liabilities"

Notes to Consolidated Financial Statements of Motilal Oswal Financial Services Limited and its subsidiaries (collectively as “the Company”)
Note 28 : Notes to Accounts:
28.1 Principles and assumptions used for consolidated financial statements and proforma adjustments:

- a) The consolidated financial statements have been prepared by applying the principles laid in the Accounting Standard (AS) - 21 “Consolidated Financial Statements” and (AS) - 23 “Accounting For Investments in Associates in Consolidated Financial Statements”. issued by the Institute of Chartered Accountants of India for the purposes of these Consolidated Balance Sheet and Statement of Profit and Loss, together referred to in as ‘Consolidated Financial Statements.’
- b) Following are the companies whose accounts have been considered for the consolidated financial statements:

Motilal Oswal Financial Services Limited (‘the Company’ or ‘the holding company’) shareholding in the following companies as on March 31, 2015 and March 31, 2014 is as under:

Name of the Entities	As at 31st March 2015		As at 31st March 2014	
	No. of Shares	% of Effective Holding	No. of Shares	% of Effective Holding
I) Name of the Subsidiary Companies				
a) Direct Subsidiaries				
Motilal Oswal Securities Limited *	1,318,830	100	1,318,218	99.95
Motilal Oswal Commodities Broker Private Limited **	410,044	100	400,000	97.55
Motilal Oswal Investment Advisors Private Limited	1,000,000	100	1,000,000	100
MOPE Investment Advisors Private Limited (Formerly known as Motilal Oswal Private Equity Advisors Private Limited)	50,000	85	50,000	85
Motilal Oswal Insurance Brokers Private Limited	2,990,000	99.67	2,990,000	99.67
b) Step down Subsidiaries				
Motilal Oswal Capital Markets Private Limited ***	350,000	100	1,250,000	99.95
Motilal Oswal Wealth Management Limited (Formerly known as Motilal Oswal Wealth Management Private Limited) ***	80000	100	80000	99.95
Motilal Oswal Asset Management Company Limited ***	65000000	100	35000000	99.95
Motilal Oswal Trustee Company Limited ***	100,000	100	100,000	99.95
Motilal Oswal Securities International Private Limited ***	4,569,200	100	4,569,200	99.95
Motilal Oswal Capital Markets (Hongkong) Private Limited ***	6,000,000	100	6,000,000	99.95
Motilal Oswal Capital Markets (Singapore) Pte. Limited ***	250,000	100	250,000	99.95
Motilal Oswal Real Estate Investment Advisors Private Limited	76,499	76.5	99,999	85
Motilal Oswal Real Estate Investment Advisors II Private Limited	6,196	68.85	9,999	85
Aspire Home Finance Corporation Limited	199,999,994	99.99	14,999,994	99.99
India Business Excellence Management Company	34,000	85	40,000	85
Motilal Oswal Asset Management (Mauritius) Pvt. Ltd. ****	1	100	NA	NA
II) Associate Enterprise				
India Reality Excellence Fund II LLP *****	8,301	18.60	NA	NA

* On 12th February, 2015 Motilal Oswal Financial Services Limited (MOFSL) has purchased the additional stake and converted Motilal Oswal Securities Limited (MOSL) into Wholly Owned Subsidiary (WOS).

** On 12th February, 2015 Motilal Oswal Financial Services Limited (MOFSL) has purchased the additional stake and converted Motilal Oswal Commodities Brokers Private Limited (MOCBPL) into Wholly Owned Subsidiary (WOS).

*** As per above, MOSL has become the WOS, by virtue of it, the 7 step down subsidiaries of MOSL has also become the WOS of MOFSL.

**** During the FY 2014-15, the subsidiary company of the group has floated wholly owned subsidiary in Mauritius on 8th Jan, 2015.

***** During the FY 2014-15, India Reality Excellence Fund II LLP based at India became an Associate Enterprise for the group.

28.2 Principles used in preparing Consolidated Financial Statements:

- a) 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.
- b) 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.
- c) Intra-group transactions are eliminated in preparation of consolidated financial statements.
- d) 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 & recognized as an asset in the consolidated financial statements.
- e) 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.
- f) 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-subsidiary relationship came in existence till the date of Balance Sheet.
- g) In case of Associate Enterprise, the financial statements as on 31st March, 2015 have been consolidated as per Accounting Standard - AS 23 "Accounting For Investments in Associates in Consolidated Financial Statements".
- h) Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- i) 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.

28.3 During the year the Subsidiary Company of the group i.e. Motilal Oswal Asset Management Company Limited has acquired 100% Equity Holding of a Mauritius based 'Motilal Oswal Asset Management (Mauritius) Pvt. Ltd on 8th January, 2015. The Company has purchased one Equity Shares for Consideration of ₹ 62/-, further the Company has given amount of ₹ 46,68,688/- against Share Application Money pending allotment

28.4 During the year the company has acquired following memberships/licenses:

The subsidiary company Motilal Oswal Capital Markets (Hong Kong) Private Limited received SFC license on 24th June 2014 to Advise on Securities & conduct TYPE IV Activity vide its license no AYY301. The license allows Motilal Oswal Capital Markets (HongKong) Private Limited to distribute Research Reports on Indian Markets only to Hong Kong based Professional Investors. Motilal Oswal Capital Markets (HongKong) Private Limited is 100% owned subsidiary of Motilal Oswal Securities Limited, a 100% subsidiary of Motilal Oswal Financial Services which is its ultimate holding company.

28.5 Contingent Liabilities and Commitments to the extent not provided for:

(A) a) The Company has provided bank guarantees aggregating to ₹ 2,120 millions (Previous Year : ₹ 1,162.50 millions) as on 31 March 2015 for the following purposes to:

- i) Bombay Stock Exchange Limited - ₹ 320 millions (Previous year : ₹ 130 millions) for meeting margin requirements.
- ii) National Stock exchange - ₹ 1800 millions (Previous year ₹ 945 millions) for meeting margin requirements.
- iii) The Multi Commodity Exchange of India Limited – ₹Nil (Previous Year : ₹75 millions) for meeting margin requirements
- iv) National Commodity & Derivatives Exchange Limited - ₹ Nil (Previous Year : ₹12.50 millions) for meeting margin requirements.

The company has pledged fixed deposits with banks aggregating ₹ 832.50 Millions (Previous Year ₹ 585 Millions) for obtaining Bank Gaurantee.

(B) (a) Contingent Liabilities:

(₹ In millions)

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Demand in respect of Income tax matters for which appeal is pending (Refer note i)	123.19	96.99

(b) Claims against the Company:

(₹ In millions)

Pending against forum	No. of Cases 2014-15	As at 31-Mar-2015	No. of Cases 2013-14	As at 31-Mar-2014
Civil / Consumer Court Cases	32	39.93	65	48.21
Arbitration Cases	15	21.90	13	42.63
Total	47	61.83	78	90.85

(c) Capital Commitments:

(₹ In millions)

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
(i) Estimated amount of contracts remaining to be executed on capital account (Refer Note ii)	1,427.87	110.31
(ii) Uncalled Liability on shares and other investments partly paid (Refer Note iv To x):		
(1) India Business Excellence Fund II	344.95	579.35
(2) India Business Excellence Fund	11.25	11.25
(3) India Business Excellence Fund - C class	–	–
(4) India Reality Excellence Fund	–	–
(5) India Reality Excellence Fund II	391.19	150.00
(6) Adity Birla Private Equity Fund	–	–
(7) Reliance alternative investment fund	–	–

- i) Demand of Income Tax matters for which appeal/rectifications are pending is ₹ 123.19 millions (Previous Year ₹ 96.99 millions). This is disputed by the Company and hence not provided for. The Company has paid demand of ₹ 69.04 millions till date (Previous Year ₹ 65.74 millions) under protest. These does not include interest u/s 234(b) & u/s 234(c) as same is not determinable till the final outcome.

The Company is contesting the demands and the management, including its tax advisors, 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 ₹ 1427.87 millions (Previous Year : ₹ 110.31 millions.)
 - iii) Future cash outflows in respect of claims mentioned above are determinable only on receipt of judgments/decisions pending with various forums/authorities
 - iv) The Company has given a capital commitment of ₹ 611.05 Millions (Previous Year: ₹ 725.50 Millions) in respect of Business Excellence Trust II, the Trust sponsored by the Company under the Indian Trust Act, 1982. The Company has contributed an amount of ₹ 266.10 Millions (Previous Year: ₹ 146.15 Millions) as per the draw down intimations received from the Fund. During the year the Company had received a refund of capital of ₹ Nil (Previous Year ₹ Nil) out of total amount contributed.
 - v) The Company has given capital commitment of 10% (subject to maximum limit of ₹ 450 Millions) in respect of total capital commitment of Business Excellence Trust, the Trust sponsored by the Company under the Indian Trust Act, 1982. The Company has contributed an amount of ₹ 438.75 Millions (Previous year: ₹ 438.75 million) towards its capital contribution as per the draw down intimations received from the Fund. During the year company has received back ₹ 7.97 Millions (Previous Year: Nil) towards the capital return from the fund.
 - vi) The Company has given capital commitment of ₹ 0.10 Millions in respect of total capital commitment of Business Excellence Trust Class C Units, the Trust sponsored by the Company under the Indian Trust Act, 1982. The Company has contributed an amount of ₹ 0.10 Millions (Previous year: ₹ Nil) towards its capital contribution as per the draw down intimations received from the Fund.
 - vii) The Company has given a capital commitment of an amount of ₹ 270 Millions (Previous Year: ₹ 270 Millions) to India Realty Excellence Fund launched by Realty Excellence Trust. In respect to this, the Company has contributed an amount of ₹ 270 Millions (Previous Year 270 Millions) as per the draw down intimations received from the Fund . During the year company has received back ₹ 18.31 Millions (Previous Year: ₹ 156.45 Millions) towards the capital return from the fund.
 - viii) The Company has given total commitment of ₹ 830 Millions (Previous year ₹ 500 Millions) in respect of India Realty Excellence Fund II a Fund launched by Realty Excellence Fund II LLP. In respect of this, the Company has contributed an amount of ₹ 438.81 Millions/- (Previous year ₹ 350 Millions) as on 31st March 2015. During the year the Company had received a refund of capital of ₹ 138.18 Millions (Previous Year ₹ Nil) out of total amount contributed.
 - ix) The Company has given a capital commitment of ₹ 15 Millions to Aditya Birla Private Equity Fund . In respect of this, the Company has contributed an amount of ₹ 15 Millions/- (Previous year ₹ 1.5 Millions) and during the year also received a capital refund of ₹ 0.84 Million (Previous year ₹ Nil) and balance commitment of ₹ Nil/- (Previous year ₹ Nil) is outstanding as on 31st March, 2015.
 - x) The Company has given a capital commitment of ₹ 15 Millions to Reliance alternative investment fund private equity scheme I. In respect of this, the company has fulfilled its 100% contribution i.e. an amount of ₹ 15 Millions (Previous year ₹ 15 Millions).
- 28.6** During the year the company and some of its subsidiaries has recognised MAT credit entitlement of ₹ 31.34 millions (Previous year ₹ NIL) in accordance with the provisions of the Guidance Note on Accounting for Credit available in respect of Minimum Alternate Tax under the Income Tax Act 1961 issued by the Institute of Chartered Accountants of India.
- 28.7** In the opinion of the Board of Directors, all current assets, loans and advances would be realizable at least of an amount equal to the amount at which they are stated in the Balance sheet. There is no impairment of Fixed Assets and Investments.
- 28.8** a) During the current year, Parent Company has made a provision ₹ 1.38 millions (previous year ₹0.94 millions) being 0.25% of its standard assets as per the Notification No DNBS.222/CGM(US)-2011 dated 17th January, 2011 issued by RBI.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

b) During the current year, one of the Subsidiary Company has made a provision ₹ 14.35 millions (previous year ₹ Nil) being 0.40% of its standard assets as per the NHB guidelines

28.9 A dividend of ₹ 139.8 millions (Previous Year ₹ 138.48 millions) proposed in the financial statement of the subsidiary company Motilal Oswal Securities Limited, though not recognized as income in the financial statement of the parent company (MOFSL) as the date of relevant AGM, of such subsidiary companies falls after the date of adoption of accounts, by the board of the parent company, such proposed dividend has been eliminated in the consolidated financial statement.

28.10 a. In accordance with the provisions of section 45- IC of the RBI Act, 1934, The Company has created a Reserve Fund & during the year, the Company has transferred an amount of ₹ 120.98 Millions (Previous Year ₹ 78.62 millions) to Reserve Fund, being 20% of the Profit After Tax.

b. In accordance with the provisions of section 29C of the NHB Act, 1987, The Company has created a Reserve Fund & during the year, the Company has transferred an amount of ₹ 4.35 Millions (Previous Year ₹ Nil) to Reserve Fund, being 20% of the Profit After Tax.

28.11 Balance of Trade Receivables and Trade Payables are subject to confirmation.

28.12 The company has sent letters to suppliers to confirm whether they are covered under Micro, Small and Medium Enterprises Development Act 2006 as well as they have filled required memorandum with prescribed authorities. Out of the letters sent to the parties, some confirmation have been received till date of finalisation of Balance Sheet. Based on the confirmations received, the outstanding amounts payable to vendors covered under Micro, Small and Medium Enterprises Development Act 2006 are given below.

(₹ In millions)

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
The principal amount remaining unpaid at the end of the year.	—	—
The interest amount remaining unpaid at the end of the year.	—	—
The balance of MSMED parties as at the end of the year.	—	—

28.13 Auditors' Remuneration :

(₹ In millions)

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
As Auditors:	—	—
Audit Fees	6.55	4.27
Tax Audit Fees	0.35	0.27
Other matters	0.50	0.12
In any other capacity, in respect of:		
Out of Pocket Expenses	0.05	0.08
Service Tax	0.78	0.56
Total	8.23	5.30

28.14 Leases:

a) **Operating Lease Given**

(₹ In millions)

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
(a) Rent Income recognised under the year under the head "Other Operating Income"	39.57	11.42

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

Minimum Future Lease receivables:

(₹ In millions)

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Not later than 1 year	47.26	65.12
Later than 1 year and not later than 5 years	63.09	265.57
Later than 5 years	–	–
Total	110.35	330.69

Building Given on Lease:

(₹ In millions)

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Gross Value	455.60	306.11
Accumulated Depreciation	64.09	27.91
Depreciation	19.92	15.36

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

- i) Lease rentals are charged on the basis of agreed terms.
- ii) Assets are given on lease for a period of 5 years.
- iii) Agreement is a non cancellable agreement for initial period of 3 years.

Immovable Properties given on lease:

The company has entered into lease / license agreement in respect of immovable properties with a parties. It contain escalation clause related to lease rentals / license fees with 15% from the 4th year.

b) Operating Lease Taken

(₹ In millions)

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
(a) Lease Payments recognised under the head "Rent"	54.04	45.25

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.

Immovable properties taken on lease:

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.

28.15 Quantitative information in respect of income from Arbitrage transaction

Cash Segment	31-Mar-15		31-Mar-14	
	Quantity	Value (₹ in Millions)	Quantity	Value (₹ in Millions)
Opening Stock	2,393,869	606	6,974,995	1,258.97
Purchase	31,226,277	14,202	78,195,449	29,884
Sales	33,620,146	14,808	82,776,575	30,662
Closing stock	–	–	2,393,869	606

Quantitative Information in respect of Income from Commodity Transaction

Commodity Segment	31-Mar-15		31-Mar-14	
	Quantity	Value (₹ in Millions)	Quantity	Value (₹ in Millions)
Opening Stock	–	–	11,271	201.50
Purchase	1,622.54	80	577,360	3,372.64
Sales	1,622.54	78	575,151	3,011.35
Stock W/off	–	–	13,480	545.96
Closing Stock	–	–	–	–

28.16 Open interest in individual stock futures/commodities as on 31st March, 2015

a) Open Long Positions in Stock futures:

Name of Equity Index / Stock Future	Expiry Date	No. of Contracts	No. of Units
Asian Paint	30-Apr-15	20	10000
BHEL	30-Apr-15	210	210000

b) Open Short Positions in Stock futures:

Name of Equity Index / Stock Future	Expiry Date	No. of Contract	No. of Units
BANK NIFTY	30-Apr-15	7	175
NIFTY	30-Apr-15	31	775

Open interest in individual stock futures as on 31st March, 2014

Open Long Positions in Stock futures

Name of Equity Index / Stock Future	Expiry Date	No. of Contracts	No. of Units
AXISBANK	24-Apr-14	5	1250
BANKNIFTY	24-Apr-14	41	1025
HEROMOTOCO	24-Apr-14	336	42000
NIFTY	29-May-14	565	28250
ULTRACEMCO	24-Apr-14	48	6000

Open Short Positions in Stock futures:

Name of Equity Index / Stock Future	Expiry Date	No. of Contract	No. of Units
ABIRLANUVO	24-Apr-14	11	2750
ACC	24-Apr-14	10	2500
ALBK	24-Apr-14	16	64000
AUROPHARMA	24-Apr-14	21	42000
BAJAJ-AUTO	24-Apr-14	23	2875
BANKBARODA	24-Apr-14	81	40500
BANKINDIA	24-Apr-14	38	76000
BHARTIARTL	24-Apr-14	93	93000
BPCL	24-Apr-14	10	10000
CAIRN	24-Apr-14	15	15000
CANBK	24-Apr-14	4	4000
DLF	24-Apr-14	70	140000
FEDERALBNK	24-Apr-14	5	20000
GRASIM	24-Apr-14	14	1750

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

Name of Equity Index / Stock Future	Expiry Date	No. of Contract	No. of Units
HCLTECH	24-Apr-14	6	1500
HDFC	24-Apr-14	19	9500
HDFCBANK	24-Apr-14	522	261000
HINDUNILVR	24-Apr-14	20	10000
ICICIBANK	24-Apr-14	168	42000
IDFC	24-Apr-14	35	140000
INDUSINDBK	24-Apr-14	2	2000
INFY	24-Apr-14	62	7750
ITC	24-Apr-14	31	31000
JSWSTEEL	24-Apr-14	9	4500
JUBLFOOD	24-Apr-14	13	3250
KOTAKBANK	24-Apr-14	3	1500
LICHSGFIN	24-Apr-14	13	26000
LT	24-Apr-14	22	11000
LUPIN	24-Apr-14	12	3000
M&M	24-Apr-14	72	18000
MARUTI	24-Apr-14	118	29500
NIFTY	24-Apr-14	1051	52550
ONGC	24-Apr-14	1	1000
PNB	24-Apr-14	1	500
RELCAPITAL	24-Apr-14	47	47000
RELINFRA	24-Apr-14	23	23000
S&P500	17-Apr-14	13	3250
SBIN	24-Apr-14	27	3375
SSLT	24-Apr-14	23	46000
SUNPHARMA	24-Apr-14	14	7000
SUNTV	24-Apr-14	6	6000
SYNDIBANK	24-Apr-14	19	76000
TATAMOTORS	24-Apr-14	91	91000
TCS	24-Apr-14	1	125
TITAN	24-Apr-14	103	103000
UCOBANK	24-Apr-14	30	120000
UNIONBANK	24-Apr-14	5	10000
VOLTAS	24-Apr-14	12	48000
WIPRO	24-Apr-14	2	1000
YESBANK	24-Apr-14	6	6000
ZEEL	24-Apr-14	35	35000

c) Open interest in Option:

Open Long / Short Positions:

(₹ In millions)

Name of equity Index/Stock Options	Total premium carried forward as at the year end net of provisions made as on 31-Mar-15	Total premium carried forward as at the year end net of provisions made as on 31-Mar-14
NIFTY	–	144.53
RANBAXY	–	0.05
RCOM	–	0.23
UNITECH	–	0.09

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

28.17 Segment Reporting

- The business segment has been considered as the primary segment for disclosure. The company primary business comprises of “Broking in securities and commodities”, “Fund based activities”, “Asset Management services” and “Investment Banking services”.
- 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 Services include 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

Since the business operations of the Group are primarily concentrated in India, the Group is considered to operate only in the domestic segment.

(₹ In millions)

Particulars	Equity Broking & Other related activities		Fund Based activities		Asset Management & Advisory		Investment Banking		Unallocated		Elimination		Total	
	31st March 2015	31st March 2014	31st March 2015	31st March 2014	31st March 2015	31st March 2014	31st March 2015	31st March 2014	31st March 2015	31st March 2014	31st March 2015	31st March 2014	31st March 2015	31st March 2014
REVENUE:														
External Revenue	4,716.94	2,793.82	1,300.03	762.26	1,437.53	848.50	193.23	68.09	106.53	208.52	-	-	7,754.27	4,681.20
Inter-Segment Revenue	274.60	133.91	289.98	220.94	277.10	62.42	7.37	16.22	2.93	-	(851.98)	(433.48)	-	-
Total Revenue	4,991.54	2,927.73	1,590.01	983.20	1,714.64	910.92	200.60	84.31	109.46	208.52	(851.98)	(433.48)	7,754.27	4,681.20
RESULT:														
Segment Result	1,037.02	156.41	737.34	279.28	280.73	187.01	7.68	(40.79)	9.77	42.24	-	-	2,072.54	624.15
Unallocated Corporate Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Profit	-	-	-	-	-	-	-	-	-	-	-	-	2,072.54	624.15
Interest Expenses	-	-	-	-	-	-	-	-	-	-	-	-	(93.70)	(29.43)
Interest Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax expense														
Current tax	-	-	-	-	-	-	-	-	-	-	-	-	(511.00)	(241.65)
Deffered tax	-	-	-	-	-	-	-	-	-	-	-	-	(12.27)	62.41
Profit from Ordinary Activities	-	-	-	-	-	-	-	-	-	-	-	-	1,455.62	415.53
Extra-Ordinary Items	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Profit for the year before Minority Interest	-	-	-	-	-	-	-	-	-	-	-	-	1,455.62	415.53
Less: Minority Interest	-	-	-	-	-	-	-	-	-	-	-	-	(19.80)	(20.51)
Net profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	1,435.82	395.02
OTHER INFORMATION:														
Segment Assets	10,036.56	8,069.26	18,806.66	12,027.90	1,574.38	601.40	74.88	60.33	2,954.67	1,555.75	(3,999.00)	(3,883.04)	29,447.98	18,432.10
Segment Liabilities	6,813.06	5,906.91	7,763.89	3,038.32	529.67	371.80	30.78	17.12	2,435.45	1,102.90	(1,073.00)	(3,707.81)	16,499.47	6,729.16
Capital Expenditure	236.57	67.34	16.42	6.31	11.48	6.14	1.22	0.09	-	-	-	-	265.69	79.88
Depreciation	206.14	143.79	84.01	83.25	12.84	12.27	4.49	4.10	-	-	(0.77)	(0.77)	306.71	242.65
Non-cash expenses other than depreciation	0.68	9.15	(7.14)	54.83	0.34	-	14.26	-	-	-	-	-	8.13	63.98

28.18 Imports (Value On The Cost, Insurance And Freight Basis)

(₹ In millions)

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Capital goods	65.35	–

28.19 Basic & Diluted Earnings per share:

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Net Profit attributable to equity shareholders [A] (₹ in millions)	1,435.82	395.17
Weighted average Number of equity shares for Basic EPS Face value ₹ 1 each [B]	138,892,485	140,808,380
Basic Earnings per share (EPS) (₹) [A/B]	10.34	2.95
Net Profit attributable to equity shareholders [C] (₹ in millions)	1,435.82	395.17
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 millions)	1,435.82	395.17
Weighted average Number of equity shares issued (face value of ₹ 1 each) [E]	138,892,485	140,808,380
Weighted average Number of additional equity shares outstanding for Diluted EPS (F)	3,302,653	–
Weighted average Number of equity shares outstanding for Diluted EPS [E+F]	142,195,138	140,808,380
Diluted Earnings per share (EPS) (₹) [C-D/E+F]	10.10	2.81

28.20 Related Party Disclosure:

I. Related Parties (as certified by management):

Holding Company

Passionate Investment Management Private Limited

Enterprises in which Key Managerial Personnel exercises Significant Influence:

1. Nagori Agro & Cattle Feeds Private Limited
2. Rishabh Securities Private Limited
3. Windwell Securities Private Limited
4. Textile Exports Private Limited
5. OSAG Enterprises LLP
6. VISU Associates - partnership firm
7. Motilal Oswal (HUF)
8. Raamdeo Agarawal (HUF)
9. Motilal Oswal Foundation (Trust)

Key Management Personnel:

1. Mr. Motilal Oswal – Chairman & Managing Director
2. Mr. Raamdeo Agarawal – Joint Managing Director

Relatives of Key Management Personnel / Enterprise in which relatives of Key Management Personnel have significant influence:

1. Mr. Pratik M Oswal – Son of Chairman
2. Dr. Pratiksha P Mehta – Daughter of Chairman
3. Mr. Vaibhav Agarawal – Son of Joint Managing Director
4. Mrs. Vimla Oswal – Wife of Chairman

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

5. Mrs. Suneeta Agarawal – Wife of Joint Managing Director
6. Agarwal Portfolio – Enterprises of Brother of Joint Managing Director

Associate Enterprises

- I. India Realty Excellence Fund II LLP

II. Transactions with related parties and Outstanding Balances:

a) Transactions with related parties:

(₹ in Millions)

Transactions	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	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Managerial Remuneration	Motilal Oswal	–	–	24.00	24.00			24.00	24.00
	Raamdeo Agarawal	–	–	24.00	24.00			24.00	24.00
Total		–	–	48.00	48.00			48.00	48.00
Donation Given	Motilal Oswal Foundation (Trust)	–	–	26.48	3.28			26.48	3.28
Rent (Received) / Paid	Nagori Agro & Cattle Feeds Private Limited	–	–	–	0.86			–	0.86
	Rishabh Securities Private Limited	–	–	–	0.23			–	0.23
	Passionate Investment Management Private Limited	(0.06)	–	–	–			(0.06)	–
	Textile Exports Private Limited	–	–	–	1.59			–	1.59
Total		(0.06)	–	–	2.68			(0.06)	2.68
Brokerage Received	Passionate Investment Management Private Limited	–	(0.02)	–	–			–	(0.02)
	Agarwal Portfolios	–	–	–	–			–	–
	VISU Associates	–	–	(1.59)	(0.35)			(1.59)	(0.35)
	OSAG Enterprises LLP	–	–	(0.09)	(0.24)			(0.09)	(0.24)
	Motilal Oswal	–	–	(1.20)	(0.72)			(1.20)	(0.72)
	Raamdeo Agarawal	–	–	(5.27)	(1.63)			(5.27)	(1.63)
	Relatives of KMP	–	–	(0.02)	–			(0.02)	–
Total		–	(0.02)	(8.18)	(2.94)			(8.18)	(2.96)
Set Up Fees	India Realty Excellence Fund II LLP	–	–	–	–	(27.03)	–	(27.03)	–
Advisory	India Realty Excellence Fund II LLP	–	–	–	–	(23.72)	–	(23.72)	–
Partnership Gain	India Realty Excellence Fund II LLP	–	–	–	–	(22.97)	(1.25)	(22.97)	(1.25)
Capital contribution	India Realty Excellence Fund II LLP	–	–	–	–	296.67	351.45	296.67	351.45
Capital contribution received	India Realty Excellence Fund II LLP	–	–	–	–	(0.00)	–	(0.00)	–
Debenture Redemption	Passionate Investment Management Private Limited	332.19	–	–	–			332.19	–
Loan Received	Passionate Investment Management Private Limited	(18.41)	–	–	–			(18.41)	–
Loan Paid	Passionate Investment Management Private Limited	18.41	–	–	–			18.41	–
Dividend Paid	Motilal Oswal	–	–	36.33	24.22			36.33	24.22
	Motilal Oswal (HUF)	–	–	0.00	–			0.00	–
	Raamdeo Agarawal	–	–	35.48	23.66			35.48	23.66
	Raamdeo Agarawal (HUF)	–	–	1.95	1.30			1.95	1.30
	Suneeta Agarawal	–	–	0.89	0.59			0.89	0.59
	Vimla Oswal	–	–	0.38	0.25			0.38	0.25
	Rajendra Gopilal Oswal	–	–	0.20	–			0.20	–
Passionate Investment Management Private Limited	230.38	153.58	–	–			230.38	153.58	
Total		230.38	153.58	75.22	50.02			305.60	203.60

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

b) Outstanding Balances of related Parties:

(₹ in Millions)

Balances	Name of the related Party	Enterprise in which key Managerial Personnel exercise significant influence / Holding company		Key Managerial Personnel / Relative of Key Managerial Personnel		Total	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Security Deposit	Passionate Investment Management Private Limited	(0.03)	-	-	-	(0.03)	-

c) Maximum Balance in respect of Loan and advances to Holding company:

(₹ in Millions)

Balances	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	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Loans (Maximum balance)*	Passionate Investment Management Private Limited	18.41	-	-	-	-	-	18.41	-
Total Loan Given (Maximum Balance)		18.41	-	-	-	-	-	18.41	-

* Note :All Loans referred above are repayable on demand

28.21 Initial Margin:

Initial margin in respect of outstanding Derivative Instruments contracts at year end is ₹ 8.40 millions (Previous Year: ₹ 85.52 millions) and in commodities at the year end if Nil (Previous Year ₹ NIL) which comprises of cash margin, fixed deposits, bank guarantees & collaterals.

28.22 Foreign Currency Transactions:

a) Expenditure in Foreign Currency

(₹ In millions)

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Travelling Expenses	22.78	11.94
Legal and Professional charges	10.20	12.05
Advisory Fees	126.10	261.94
Rates and Taxes	0.66	0.44
Marketing Commission	41.10	12.53
Communication Expenses	0.25	0.18
Membership Fees	1.87	0.37
Software Charges	17.63	20.44
Meeting and event exp	0.41	2.22
Loading and Boarding Exp	5.83	7.22
Client Entertainment exp	1.41	0.37
Referral Fees	11.16	14.14
Filing Fees	0.00	0.23
Backup Charges	0.24	0.22
Examination Fees	0.06	0.18
Registration charges	0.07	0.27
Insurance	0.58	0.80

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Training expense	0.01	–
Bank charges	0.10	0.10
Printing & stationary	0.07	0.10
Repairs & maintenance	0.23	0.17
Rent	3.73	3.55
Employee benefits	12.04	11.45
Director fees	0.03	–
Audit fees	1.12	0.67
Data Processing	–	0.28
Other expenditure incurred overseas	0.52	0.40
Total Expenditures	258.24	362.28

b) Dividend paid in Foreign Currency

Particulars	FY 2014-2015		FY 2013-2014	
Amount of dividend paid in foreign currency (₹ In Millions)	18.90	7.92	7.33	7.87
Total Number of non resident shareholder (In Numbers)	135	136	163	172
Total Number of shares held by them on which dividend were due(In Numbers)	9,448,644	7,922,837	7,326,965	7,873,245
Year relating to which dividend paid	2014-15 (Interim)	2013-14 (Proposed)	2013-14 (Interim)	2012-2013 (Proposed)

c) Income in Foreign Currency

(₹ In millions)

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Royalty	0.42	0.48
Advisory Fees	442.97	532.67
Interest Received From Banks and Others	35.49	121.01
Other income	0.00	0.00
Investment Management Fees	2.13	4.85
Total Income	481.02	659.01

28.23 Foreign exchange gain/loss comprises of the difference in exchange rate on the date of booking & date of settlement and in respect of translation of monetary items on the Balance sheet date, the foreign exchange gain (net) arising thereon of ₹ 0.04 millions (Previous year ₹ 0.23 millions) has been credited to Statement of Profit and Loss.

28.24 Provisions made comprises of:

(₹ in millions)

a)	Particulars	Opening balance as on 01-Apr-14	Provided during the year ended 31-Mar-15	Provision Paid / reversed during the year ended 31-Mar-15	Closing balance as on 31-Mar-15
	Ex-gratia (Bonus)	187.13	460.32	204.97	442.48
	Compensated absences	2.70	13.71	12.29	4.12
	Gratuity	68.10	16.35	7.60	76.86

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

b) Particulars	Opening balance as on 01-Apr-13	Provided during the year ended 31-Mar-14	Provision Paid / reversed during the year ended 31-Mar-14	Closing balance as on 31-Mar-14
Ex-gratia (Bonus)	117.65	187.32	117.85	187.13
Compensated absences	3.30	7.11	7.70	2.70
Gratuity	68.80	2.75	3.45	68.10

28.25 During the Previous Financial Year 2013-14, the Company has started applying principles of Accounting Standard -30 "Financial Instruments : Recognition and Measurement" to the arbitrage / proprietary trading transactions entered into as against earlier accounting policy of recognizing these transaction on the principles of prudence as enunciated in Accounting Standard-I "Disclosure of Accounting Policies." Accordingly in respect of these transaction, the company has designated the Financial assets of Equity/Currency and Commodities , and its Corresponding Derivatives positions entered at "fair value through Profit or loss". Such designations are considered by the Company to eliminate / significantly reduce measurement / recognition inconsistency. These instruments and all other derivative contracts are measured at fair value and changes therein are recognised in the statement of profit or loss. As a result of this change, profit before tax for the Previous Financial Year 2013-14 had increased by ₹ 26.04 millions.

28.26 During the Previous Financial Year 2013-14 the company has purchased under construction residential flats of ₹ 53.30 millions which has been classified as Investment in Property under Non Current Investment.

28.27 During the Previous Financial Year 2013-14, the Company has mortgaged its Immovable property " Motilal Oswal Tower" to HDFC Bank Limited for the banking facilities availed by its subsidiary company Motilal Oswal Securities Limited.

28.28 Exceptional items [Income/(expenses)]during the year comprises of the following (₹ In millions)

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
Provision for doubtful/sub-standard assets (Non performing assets)	-	(12.95)
Stock written/off on account of trading loss	-	(542.91)
Total	-	(555.86)

Exceptional items during the FY 2013-14 comprises amount of ₹ 542.91 millions written off in respect of its trading loss on account of Stock-in-trade for commodities traded on National Spot Exchange Limited (NSEL) and ₹ 12.95 millions with respect to provision made in respect of the exposure to NSEL of its' funded position.

In the normal course of business of the company of purchase and sale of commodities through NSEL, NSEL could not provide commodities / complete the fund settlements and therefore company had to write-off the loss of stock-in-trade lying with NSEL. Motilal Oswal group has perused legal action against NSEL in this respect. Pending final outcome which is uncertain, the Company has fully written off the aforesaid amount.

28.29 The three subsidiary companies has unabsorbed business loss of ₹ 209.42 Millions (P.Y. ₹ 187.75 Millions) on which they have recognized Deferred Tax Assets (DTA) of ₹ 64.71 Millions (P.Y. ₹ 58.02 Millions). 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.

28.30 The group has booked the Income from 2 funds i.e. India Business Excellence Fund (IBEF) and India Realty Excellence Fund (IREF) on the basis of distribution by the Fund. Return of capital contribution is reduced from the original cost of investments.

28.31 Trade receivables in case of subsidiary company Motilal Oswal Commodities Broker Pvt. Ltd. includes ₹ 2,573.47 millions (Previous year ₹ 2,593.54) receivable from National Spot Exchange Limited on behalf of customers and the same is also shown as Other /Trade payable to customers at ₹ 2,475.88 millions (Previous year ₹ 2,492.77) which will become due only on receipt from National Spot Exchange Limited.

28.32 Proposed Dividend

The final dividend proposed for the year is as follows:

(₹ In millions)

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
On Equity Shares of ₹ 1 each		
Amount of dividend proposed (₹ in millions)	140.16	138.17
Dividend per Equity Share (₹)	1.00	1.00

28.33 Credit Ratings

- During the year, CRISIL has re-affirmed the rating of 'CRISIL A1+' (pronounced 'CRISIL A one Plus') to the Short Term Debt Programmed of the company for ₹ 4,000 Millions. The rating indicates very strong degree of safety regarding timely servicing of financial obligations.
- 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 ₹ 1,500 millions. The rating indicates very strong degree of safety regarding timely servicing of financial obligations.
- During the year, Crisil Limited assigned the Credit Rating of 'A1+' (pronounced 'A One Plus') to the following Debt programmes / c) Bank loan facilities of the company :- Commercial Paper of ₹ 3000 Millions.
- During the year, CRISIL has also assigned the rating of 'CRISIL A' (pronounced 'CRISIL A ') to the Long Term Debt Programme of the subsidiary, Aspire Home Finance Corporation Ltd (AHFCL) for ₹ 1,000 millions.
- During the year, ICRA has assigned the rating of ICRA A1+ (pronounced ICRA A1+) to AHFCL for its short-term debt programme for ₹ 500 millions.

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

28.34 Prior Period Incomes/(Expenses) during the year comprises of the following:

(₹ In millions)

Particulars	For the year ended 31-Mar-2015	For the year ended 31-Mar-2014
Recovery of Mutual Fund distribution expenses	-	1.87
Investment advisory fees income	-	2.30
Reversal of expenses	-	1.44
PMS Income	2.28	-
Total	2.28	5.61

28.35 Amount of margin money and shares received from clients and outstanding as on 31st March, 2015 are as follows

(₹ In millions)

Security Settlement for the	In the form of Securities at market Value*	Bank Guarantees and Fixed Deposits	Received in cheque
Year ended 31.03.2015	8,135.87	156.90	561.94
Year ended 31.03.2014	7,267.83	156.93	571.78

* Margin money received in the form of securities from clients, as per the Regulations, is held by the Company. Out of this, securities worth ₹ 5,285.87 millions (Previous year ₹ 5,091.73 millions) are pledged with Exchange as on March 31, 2015.

28.36 Shares reserved for issue under options -

The company has Eight Stock option plans

Motilal Oswal Asset Management Company Limited -Employees' Stock Option Scheme - I (ESOP - I)

The ESOP - I was approved by the Board of Directors at the allotment committee meeting on July 22, 2010 and by the members at the meeting held on July 21, 2010) and is for grant of 2,000,000 Equity shares of Rupees 10 each).

Motilal Oswal Asset Management Company Limited -Employees' Stock Option Scheme - II (ESOP - II)

The ESOP - II was approved by the Board of Directors at the allotment committee meeting on June 26 , 2014 for grant of 3,250,000 Equity shares of Rupees 10 each.

Motilal Oswal Financial Services Limited -Employees' Stock Option Scheme - III' (ESOP-III)

The Scheme was approved by Board of Directors on 23.01.2006 and by the shareholders in EGM dated 03.02.2006 and EGM dated 28.04.2006 and is for issue of 1,167,275 options representing 1,167,275 Equity shares of ₹ 2 each.

Motilal Oswal Financial Services Limited -Employees' Stock Option Scheme - V' (ESOP-V)

The Scheme was approved by Board of Directors on 18.10.2007 and by the shareholders on 4.12.2007 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' (ESOP-VI)

The Scheme was approved by Board of Directors on 21.04.2008 and by the shareholders in AGM dated 08.07.08 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' (ESOP-VII)

The Scheme was approved by Board of Directors on 19.07.2014 and by the shareholders in AGM dated 22.08.14 and is for issue of 2,500,000 options representing 2,500,000 Equity shares of ₹ 1 each

Motilal Oswal Wealth Management Limited -Employees' Stock Option Scheme -I' (ESOP-I)

The Scheme was approved by Board of Directors on 24.04.2013 and by the shareholders in EGM dated 15.07.13 and is for issue of 19,200 options representing 19,200 Equity shares of ₹ 10 each

The activity in the (ESOP-I), (ESOP-II), (ESOP-III), (ESOP-V) ,(ESOP-VI), ESOP (VII) and ESOP (I) during the year ended March 2015 and March 2014 is set below:

Equity Shares	As at 31-Mar-2015 In Numbers	Weighted Avg. Exercise Price	As at 31-Mar-2014 In Numbers	Weighted Avg. Exercise Price
The MOAMC (ESOP-I) : (Face value of ₹ 10/- each)				
Option outstanding at the beginning of the year.	170,000	10	345,000	10
Add: Granted	–	NA	–	NA
Less: Exercised	–	NA	–	NA
Less: Lapsed	–	NA	175,000	10
Option outstanding, end of the year	170,000	10	170,000	10
Exercisable at the end of the period	–		–	
The MOAMC (ESOP-II) : (Face value of ₹ 10/- each)				
Option outstanding at the beginning of the year.	–	NA	–	NA
Add: Granted	3,250,000	16.77	–	NA
Less: Exercised	–	NA	–	NA
Less: Lapsed	–	NA	–	NA
Option outstanding, end of the year	3,250,000	16.77	–	NA
Exercisable at the end of the period	–		–	
The MOFSL (ESOP-III) : (Face value of ₹ 2/- each)				
Option outstanding at the beginning of the year.	9,250	103.78	9,250	103.78
Less: Exercised	–	NA	–	NA
Less: Lapsed	–	NA	–	NA
Option outstanding, end of the year	9,250	103.78	9,250	103.78
Exercisable at the end of the period	–		–	

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

Equity Shares	As at 31-Mar-2015 In Numbers	Weighted Avg. Exercise Price	As at 31-Mar-2014 In Numbers	Weighted Avg. Exercise Price
The MOFSL (ESOP-V) : (Face value of ₹ 1/- each)				
Option outstanding at the beginning of the year.	1,284,750	167.86	1,408,500	170.92
Add Granted	1,160,750	111.12	–	NA
Less: Exercised	656,350	167.76	–	NA
Less: Forfeited	50,000	172.85	113,750	166.56
Less: Lapsed			10,000	167.53
Option outstanding, end of the Year.	1,739,150	129.89	1,284,750	167.86
Exercisable at the end of the period	503,150		1,157,628	
The MOFSL (ESOP-VI) : (Face value of ₹ 1/- each)				
Option outstanding at the beginning of the year.	4,874,250	133.29	3,439,000	172.88
Add Granted	–	NA	1,948,450	85.00
Less: Exercised	1,343,250	165.58	–	NA
Less: Forfeited	144,500	107.86	361,000	174.10
Less: Lapsed		165.00	152,200	172.85
Option outstanding, end of the Year.	3,386,500	121.33	4,874,250	133.29
Exercisable at the end of the period	1,437,570		1,872,961	
The MOFSL (ESOP-VII) : (Face value of ₹ 1/- each)				
Option outstanding at the beginning of the year.	–	NA	–	NA
Add Granted	1,434,500	333.85	–	NA
Less: Exercised	–	NA	–	NA
Lapsed	–	NA	–	NA
Option outstanding, end of the Year.	1,434,500	333.85	–	NA
Exercisable at the end of the period	–		–	
The MOWML (ESOP-I) : (Face value of ₹ 1/- each) *				
Option outstanding at the beginning of the year.	19,200	NA	–	NA
Add Granted	–	NA	19,200	NA
Less: Exercised	–	NA	–	NA
Cancelled	19,200	NA	–	NA
Option outstanding, end of the Year.	–		19,200	
Exercisable at the end of the period	–		–	

* During the Current Financial Year 2014-15 the management has cancelled the entire scheme and the same does not exist as on 31st March, 2015.

Employees' Stock Options Scheme (ESOP) :

During the year 58,45,250 Employee Stock Options have been granted to the employees of the company and its subsidiary Companies (Previous Year ₹ 19,67,650).

The Company has adopted intrinsic value method of accounting Employee Compensation Cost in respect of ESOP. The intrinsic value of shares is excess of market price of the shares under ESOP over the exercise price. Employee Compensation Cost is accounted for by amortizing the intrinsic value on the straight line basis over the vesting period. The total amount to be amortized as at March 31, 2015 over the balance vesting period is ₹ NIL (Previous year- Nil)

The weighted average share price at the date of exercise for stock options exercised during the year was ₹ 239.36 (previous year ₹ NIL)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

Particulars	Scheme I	Scheme II	Scheme III	Scheme V	Scheme VI	Scheme VII
Date of grant	22-Jul-10	26-Jun-14	Various Dates	Various Dates	Various Dates	Various Dates
Date of Board Approval	21-Jul-10	21-Jul-11	Various Dates	Various Dates	Various Dates	Various Dates
Date of Shareholder's approval	July 22, 2010	July 21, 2011	3-Feb-2006 and 28-4-2006	4-Dec-2007	8-Jul-2008	22-Aug-2014
Number of options granted	15,10,000	32,50,000	2,523,000	4,478,250	7,032,450	1,434,500
Method of Settlement	Equity Shares	Equity Shares	Equity Shares	Equity Shares	Equity Shares	Equity Shares
Vesting Period	Not later than 6 years from the date of grant	Not later than 6 years from the date of grant	1 Year to 4 Years	1 Year to 5.94 Years	1 Year to 4.80 Years	1.93 Years to 4.94 Years
Weighted Average Remaining Contractual Life						
CY -Granted but not Vested	0.01 Year	2.06 Years	NA	3.04 Years	2.16 Years	3.01 Years
CY -Vested but not exercised	1.01 Years	NA	NA	1.21 Years	1.43 Years	NA
Weighted Average Share Price at the date of exercise for stock options exercised during the year	10	93	NA	237.62	240.21	NA
Weighted Average Remaining Contractual Life						
LY -Granted but not Vested	0.51 Year	NA	NA	2.89 Years	1.88 Years	NA
LY -Vested but not exercised	2.01 Years	NA	NA	1.78 Years	1.91 Years	NA
Exercise Period	Within a period of 36 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			
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.	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.	Graded	Graded	Graded	Graded
Weighted Average Fair Value of options as on grant date	₹ 10	₹ 10	NA	₹ 61.98	₹ 31.82	₹ 69.08

Exercise Pricing Formula

Scheme I

The Committee shall have the authority to determine the Exercise Price having regard to the valuation report of an independent practicing chartered accountant that may be based on such valuation method, as may be considered suitable by him, including but not restricted to the Net Asset Value Method, Discounted Cash Flow Method, Earnings Capitalisation Method, Dividend Yield Model, etc. and may also rely upon the future projections of the Company which would be prepared by the management from time to time having regard to the future potential and prospects of the Company.

The Committee shall in its absolute discretion, have the authority to grant the Options at such discount as it may deem fit.

Scheme II

The Committee shall have the authority to determine the Exercise Price having regard to the valuation report of an independent practicing chartered accountant that may be based on such valuation method, as may be considered suitable by him, including but not restricted to the Net Asset Value Method, Discounted Cash Flow Method, Earnings Capitalisation Method, Dividend Yield Model, etc. and may also rely upon the future projections of the Company which would be prepared by the management from time to time having regard to the future potential and prospects of the Company.

The Committee shall in its absolute discretion, have the authority to grant the Options at such discount as it may deem fit.

Scheme III

Compensation Committee is authorised to determine the Exercise Price having regard to the valuation report of an independent practising chartered accountant that may be based on such valuation method, as may be considered suitable by him Compensation Committee, 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 Bombay Stock Exchange Limited 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.

Other Information regarding Employee Share Based Payment Plan is as below (₹ In Millions)

Particulars	2014-15	2013-14
Expense arising from employee share based payment plans	NIL	NIL
Expense arising from share and stock option Plan	NIL	0.01
Total carrying amount at the end of the period	1.01	1.01

28.37 Disclosure pursuant to Non Banking Financial Companies / Housing Finance Companies prudential Norms/ guidelines issued by Reserve Bank of India / National Housing Bank respectively.

I) Motilal Oswal Financial Services Limited (Non Banking Financial Company) :

A) CRAR

Particulars	As at 31-Mar-2015	As at 31-Mar-2014
i) CRAR (%)	52.45%	65.55%
ii) CRAR - Tier I Capital (%)	52.33%	65.41%
iii) CRAR - Tier II Capital (%)	0.12%	0.14%

B) Investments

Particulars		As at 31-Mar-15 ₹ in Millions	As at 31-Mar-14 ₹ in Millions
1)	Value of Investments		
	(i) Gross Value of Investments		
	(a) In India	3,573.73	1,221.16
	(b) Outside India,	–	–
	(ii) Provisions for Depreciation		
	(a) In India	–	–
	(b) Outside India,	–	–
	(iii) Net Value of Investments		
	(a) In India	3,573.73	1,221.16
	(b) Outside India	–	–
(2)	Movement of provisions held towards depreciation on investments		
	(i) Opening balance	–	–
	(ii) Add : Provisions made during the year	–	–
	(iii) Less : Write-off / write-back of excess provisions during the year	–	–
	(iv) Closing balance		

C) Exposure to Real Estate Sector

Category		31-Mar-15 ₹ in Millions	31-Mar-14 ₹ in Millions
a)	Direct Exposure		
	(i) Residential Mortgages -		
	Lending fully secured by mortgages on residential borrower that is or will be occupied by the borrower of that is rented	56.10	100.26
	(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 iv)	344.55	599.79
	(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
	a. Residential	Nil	Nil
	b. Commercial Real Estate	Nil	Nil
b)	Indirect Exposure		
	Refer below note iii	2745.50	785.19
	Total Exposure to Real Estate Sector	3,146.15	1485.24

Note:

- The Company has exposure of ₹ 59.97 millions (Previous Year ₹ 71.50 millions) through Investment in IREF
- The Company had purchased in earlier years Residential flats of ₹ 53.42 millions which has been classified as Investment in Property under Non Current Investment

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

iii) The Company has following exposure to Real estate sector through investment made by subsidiary companies

Name of the Company	As at 31-Mar-15	As at 31-Mar-14
Motilal Oswal Securities Limited	1,198.42	712.09
MOPE Investment Advisors Pvt Ltd.	46.99	73.00
Motilal Oswal Real Estate Investment Advisors Private Limited	0.09	0.10
Aspire Home Finance Corporation Limited	1,500.00	–
Total	2,745.50	785.19

iv) The Company's exposure to commercial real estate is also partly secured by charge against shares/units

D) Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	For the period ended 31-Mar-15 ₹ in Millions	For the period ended 31-Mar-14 ₹ in Millions
Provisions for depreciation on Investment	–	–
Provision towards NPA	24.16	19.91
Provision made towards Income tax	24.89	59.21
Other Provision and Contingencies (with details)*	8.48	3.28
Provision for Standard Assets	(45.65)	47.86
*Other Provisions and Contingencies	For the period ended 31-Mar-15 ₹ in Millions	For the period ended 31-Mar-14 ₹ in Millions
Provision for Gratuity	0.15	(0.11)
Provision for Ex-Gratia	7.90	2.98
Provision for Compensated Absence	0.43	0.41
TOTAL	8.48	3.28

E) Concentration of Advances

(₹ In millions)

Particulars	31-Mar-15 ₹ in Millions	31-Mar-14 ₹ in Millions
Total Advances to twenty largest borrowers*	3,447.47	3,096.39
Percentage of Advances to twenty largest borrowers to Total Advances of the Company	64%	68%

*Largest borrowers are based on closing balance

F) Concentration of Exposures

(₹ In millions)

Particulars	31-Mar-15 ₹ in Millions	31-Mar-14 ₹ in Millions
Total Exposure to twenty largest borrowers	3,340.00	3,292.97
Percentage of Exposure to twenty largest borrowers to Total Exposure of the Company	46%	57%

G) Concentration of NPAs

Particulars	31-Mar-15 ₹ in Millions	31-Mar-14 ₹ in Millions
Total Exposure to top four NPA accounts	394.25	37.58

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

H) Sector - Wise NPAs

(₹ In millions)

Sr. No.	Sector	Percentage of NPAs to Total Advances in that sector	
		31-Mar-15	31-Mar-14
1	Agriculture & allied activities	–	–
2	MSME	–	–
3	Corporate borrowers	22.35%	1.04%
4	Services	–	–
5	Unsecured loans	0.04%	1.00%
6	Auto loans	–	–
7	Other personal loans	–	–

I) Overseas Assets (for those with Joint Ventures and Subsidiaries Abroad)

(₹ In millions)

Name of the Joint Venture / Subsidiary	Other Partner in the JV	Country	Total Assets As at 31-Mar-15	Total Assets As at 31-Mar-14
Motilal Oswal Capital Markets (HongKong) Private Limited	NA	HongKong	24.37	31.10
'Motilal Oswal Capital Markets (Singapore) Pte. Ltd.	NA	Singapore	11.18	10.55
India Business Excellence Management Co	NA	Mauritius	90.09	80.12
Motilal Oswal Asset Management (Mauritius) Pvt. Ltd	NA	Mauritius	4.35	–

Note: Subsidiaries includes step-down subsidiaries

J) Customer Complaints*

Sr. No	Particulars	31-Mar-15 (In numbers)	31-Mar-14 (In numbers)
a)	No. of customer complaints pending at the beginning of the year	–	–
b)	No. of customer complaints received during the financial year	8	16
c)	No. of customer complaints redressed during the financial year	8	16
d)	No. of customer complaints pending at the end of the year	0	0

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

K) i) Asset Liability Management Maturity pattern of certain items of Assets and Liabilities (FY 2014-15)

(₹ In millions)

	Upto 30/ 31 days	Over 1 month upto 2 month	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	900.00	500.00	400.00	500.00	400.00	500.00	1,276.09	895.80	5,371.89
Investments	–	–	–	–	–	683.59	2,331.70	558.44	3,573.73
Liabilities									
Borrowings	27.30	1,950.00	954.11	–	–	500.00	1,000.00	–	4431.41

Note: The above maturity pattern is determined on management estimation.

ii) **Asset Liability Management Maturity pattern of certain items of Assets and Liabilities (FY 2013-14)**

(₹ In millions)

	Upto 30/ 31 days	Over 1 month upto 2 month	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
Liabilities									
Market Borrowings*	24.00	–	181.50	–	1,355.28	188.31	–	–	1,749.09
Assets									
Advances	106.06	235.00	263.00	1,565.00	2,352.51	–	15.08	22.50	4,559.15
Investments	–	–	–	–	–	–	–	1221.16	1,221.16

*Represents Short Term Loan from group company and Non-Convertible Debenture issued to group company

L) **Movement of NPAs**

Particulars		31-Mar-15 ₹ in Millions	31-Mar-14 ₹ in Millions
(i)	Net NPAs to Net Advances (%)	6.60%	0.39%
(ii)	Movement of NPAs (Gross)		
	(a) Opening balance	37.58	112.50
	(b) Additions during the year	463.59	32.75
	(c) Reductions during the year	105.47	107.67
	(d) Closing balance	395.71	37.58
(iii)	Movement of Net NPAs		
	(a) Opening balance	17.66	38.08
	(b) Additions during the year	377.40	(4.51)
	(c) Reductions during the year	43.43	15.91
	(d) Closing balance	351.63	17.66
(iv)	Movement of provisions for NPAs (excluding provisions on standard assets)		
	(a) Opening balance	19.91	74.42
	(b) Provisions made during the year	86.20	37.26
	(c) Write-off / write-back of excess provisions	62.04	91.77
	(d) Closing balance	44.07	19.91

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

M) Exposure to Capital Market

Particulars		31-Mar-15 ₹ in Millions	31-Mar-14 ₹ in Millions
(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;	2,801.14	581.31
(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;	2,763.34	1,324.83
(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;	763.61	1,115.53
(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;	104.97	57.97
(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)	630.17	536.56
Total Exposure to Capital Market		7,063.23	3,616.19

N) i) Schedule to the Balance Sheet of “Motilal Oswal Financial Services Limited”

(as required in terms of paragraph 13 of Systematically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015

(₹ in Millions)

Particulars	Amount outstanding	Amount overdue
Liabilities side :		
I) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:		
(a) Debentures :		
Secured	1,552.04	NIL
Unsecured (other than falling within the meaning of public deposits*)	NIL	NIL
(b) Deferred Credits	NIL	NIL
(c) Term Loans	NIL	NIL
(d) Inter-corporate loans and borrowing	27.86	NIL
(e) Commercial Paper	2,230.90	NIL
(f) Other Loans (Borrowings)	700.41	NIL

* Please see Note I below

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

PARTICULARS	Amount outstanding
Assets side :	
2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]	
(a) Secured	4,929.26
(b) Unsecured	442.63
	5,371.89
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	NIL
(b) Operating lease	NIL
(ii) Stock on hire including hire charges under	
(a) Assets on hire	NIL
(b) Repossessed Assets	NIL
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	NIL
(b) Loans other than (a) above	NIL
4) Break-up of Investments :	
Current Investments :	
1. Quoted	
(i) Shares :	NIL
(a) Equity	
(b) Preference	
(ii) Debentures and bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others (please specify)	NIL
2. Unquoted	
(i) Shares :	
(a) Equity	NIL
(b) Preference	NIL
(ii) Debentures and bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others (please specify)	NIL
Long Term Investments :	
1. Quoted	
(i) Shares :	NIL
(a) Equity	
(b) Preference	
(ii) Debentures and bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others (please specify)	NIL
2. Unquoted	
(i) Shares :	
(a) Equity	469.44
(b) Preference	89.00
(ii) Debentures and bonds	NIL
(iii) Units of mutual funds	2,331.70
(iv) Government Securities	NIL
(v) Others (investment in private equity funds and property)	683.59
Total	3,573.73

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

Category	Secured	Unsecured	Total
5) Borrower group-wise classification of assets financed as in (2) and (3) above:			
1. Related Parties			
(a) Subsidiaries	NIL	105.26	105.26
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	4,929.26	337.38	5,266.64
Total	4,929.26	442.63	5,371.89
Category	Market Value / Break up or fair value or NAV		Book Value (Net of Provisions)
6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) (refer note 2 and 3):			
1. Related Parties			
(a) Subsidiaries		7,723.48	558.44
(b) Companies in the same group		NIL	NIL
(c) Other related parties		NIL	NIL
2. Other than related parties		3,622.91	3,015.29
Total		11,346.39	3,573.73
Particulars	Amount		
7) Other Information			
(i) Gross Non- Performing Assets			395.70
(a) Related parties			NIL
(b) Other than related parties			395.70
(ii) Net Non- Performing Assets			351.63
(a) Related Parties			NIL
(b) Other than related parties			351.63
(iii) Assets acquired in satisfaction of debt			NIL

Notes:

1. As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
2. In respect of investment in mutual funds NAV has been taken for calculation of fair value and for investment in subsidiaries, Net Asset Value is computed on the basis of book value.
3. In respect of investment in Private Equity fund and Investment in property book value has been taken as fair value due to unavailability of fair value.

ii) **Schedule to the Balance Sheet Of “Motilal Oswal Financial Services Limited’ as at 31st March, 2014**

(as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

(₹ in Millions)

Particulars	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	188.31	NIL
: Unsecured (other than falling within the meaning of public deposits*)	NIL	NIL
(b) Deferred Credits	NIL	NIL
(c) Term Loans	NIL	NIL
(d) Inter-corporate loans and borrowing	1,560.78	NIL
(e) Commercial Paper	NIL	NIL
(f) Other Loans (Borrowings)	NIL	NIL

* Please see Note I below

PARTICULARS	Amount outstanding
Assets side :	
2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]	
(a) Secured	4,096.35
(b) Unsecured	455.73
	4,552.08
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	NIL
(b) Operating lease	NIL
(ii) Stock on hire including hire charges under sundry debtors:	
(a) Assets on hire	NIL
(b) Repossessed Assets	NIL
(iii) Other loans counting towards AFC activities	
(a) Loans where assets have been repossessed	NIL
(b) Loans other than (a) above	NIL
4) Break-up of Investments :	
Current Investments :	
I. Quoted	
(i) Shares :	

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

PARTICULARS	Amount outstanding
(a) Equity	NIL
(b) Preference	NIL
(ii) Debentures and bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others (please specify)	NIL
2. Unquoted	
(i) Shares	
(a) Equity	NIL
(b) Preference	NIL
(ii) Debentures and bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others (please specify)	NIL
Long term Investments :	
1. Quoted	
(i) Shares :	
(a) Equity	NIL
(b) Preference	NIL
(ii) Debentures and bonds	NIL
(iii) Units of mutual funds	120.00
(iv) Government Securities	NIL
(v) Others (please specify)	NIL
2. Unquoted	
(i) Shares :	
(a) Equity	461.30
(b) Preference	50.00
(ii) Debentures and bonds	NIL
(iii) Units of mutual funds	NIL
(iv) Government Securities	NIL
(v) Others (Investment in Private Equity funds and Property)	589.86
Total	1221.16

Category	Secured	Unsecured	Total
5) Borrower group-wise classification of assets financed as in (2) and (3) above: Please see Note 2 below			
1. Related Parties**			
(a) Subsidiaries	NIL	132.92	132.92
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	4,096.35	322.81	4,419.16
Total	4,096.35	455.73	4,552.08

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

Category	Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) (Please see note 3 below):		
1. Related Parties**		
(a) Subsidiaries	7,005.43	511.30
(b) Companies in the same group	NIL	NIL
(c) Other related parties	NIL	NIL
2. Other than related parties (Investment in Private Equity Funds)		656.56
(a) Investment in Private Equity Funds	#	536.56
(b) Motilal Oswal MOST Focused 25 Fund	132.15	120.00
Total	7,137.58	1,167.86
# The investment is unquoted and the NAV of the units is not available. ** As per Accounting Standard of ICAI (Please see Note 3)		
Particulars	Amount (₹ In millions)	
7) Other Information		
(i) Gross Non- Performing Assets	37.58	
(a) Related parties	NIL	
(b) Other than related parties	37.58	
(ii) Net Non- Performing Assets	17.66	
(a) Related Parties	NIL	
(b) Other than related parties	17.66	
(iii) Assets acquired in satisfaction of debt	NIL	

Notes:

- As defined in Paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- 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. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

II) Aspire Housing Finance Company Limited (Housing Finance Company)

a) Capital to Risk Asset Ratio (CRAR):

Items	As at 31 March 2015	As at 31 March 2014
CRAR (%)	54.04	—
CRAR - Tier I Capital (%)	53.53	—
CRAR - Tier II Capital (%)	0.51	—

b) Exposure to Real Estate Sector:

Category	As at 31-Mar-15 ₹ in Thousands	As at 31-Mar-14 ₹ in Thousands
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;	3,586.29	—
(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)	—	—

c) Asset Liability Management: (₹ In Thousands)

Maturity pattern of certain items of asset and liabilities - Current Year

	Borrowings	Advances
1 to 14 days	—	3.42
Over 14 days upto 1 month	—	—
Over 1 months upto 2 months	—	3.58
Over 2 months upto 3 months	—	3.56
Over 3 months upto 6 months	200.00	10.92
Over 6 months upto 1 year	94.44	22.95
Over 1 years upto 3 years	921.01	301.01
Over 3 years upto 5 years	289.90	284.32
Over 5 years	294.64	2,956.54
Total	1,800.00	3,586.29

Note: In the computing the above information, certain estimate assumptions and adjustments have been made by the management which are consistent with the guidelines provided by the NHB.

28.38: The following table set out the Employee Benefit Disclosure as per AS 15.

a) Defined Contribution Plan

Particulars	31-Mar-15	31-Mar-14
Employers Contribution to Provident Fund	23.09	17.60
Employers Contribution to ESIC	0.98	0.64
Employers Contribution to NPS	1.65	—
Total	25.73	18.24

b) Defined Benefit Plan

	31-Mar-15	31-Mar-14
I Assumptions as at	31-Mar-15	31-Mar-14
Mortality	IALM(2006-08) Ult.	IALM(2006-08) Ult.
Average Interest / Discount Rate	7.85%	8.66%
Average Rate of increase in compensation	7.50%	8.88%
Average Rate of return (expected) on plan assets	25.73	18.23
Average Employee Attrition Rate(Past Service (PS))	PS: 0 to 37 : 29.29%	PS: 0 to 37 : 19.66%
Expected average remaining service	6.43	4.48
II Changes in present value of obligations		
PVO at beginning of year	68.11	68.80
Interest cost	5.63	5.22
Current Service Cost	17.37	14.09
Past Service Cost- (non vested benefits)	—	—
Past Service Cost -(vested benefits)	—	—
Benefits Paid	(7.58)	(7.08)
Actuarial (Gain)/Loss on obligation	(6.65)	(12.93)
PVO at end of year	75.94	68.11
III Changes in fair value of plan assets		
Fair Value of Plan Assets at beginning of year	—	—
Expected Return on Plan Assets	—	—
Contributions	7.58	7.08
Benefit Paid	(7.58)	(7.08)
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	7.58	7.08
Benefit Paid	(7.58)	(7.08)
Fair Value of Plan Assets at end of year	—	—
Funded Status (including unrecognized past service cost)	(75.94)	(67.99)
Excess of actual over estimated return on Plan Assets	—	—
V Experience History		
(Gain) / Loss on obligation due to change in Assumption	(6.98)	(7.45)
Experience (Gain) / Loss on obligation	0.32	0.78
Actuarial Gain / (Loss) on plan assets	—	—
VI Actuarial Gain /(Loss) recognized		
Actuarial Gain / (Loss) for the year (Obligation)	6.65	12.93
Actuarial Gain / (Loss) for the year (Plan Assets)	—	—
Total Gain / (Loss) for the year	6.65	12.93
Actuarial Gain / (Loss) recognized for the year	6.65	12.93
Unrecognized Actuarial Gain / (Loss) at end of year	—	—

	31-Mar-15	31-Mar-14
VII Past Service Cost recognized		
Past Service Cost- (non vested benefits)	–	–
Past Service Cost -(vested benefits)	–	–
Average remaining future service till vesting of the benefit	–	–
Recognized Past service Cost- non vested benefits	–	–
Recognized Past service Cost- vested benefits	–	–
Unrecognized Past Service Cost- non vested benefits	–	–
VIII Amounts to be recognized in the balance sheet and		
PVO at end of year	76.86	68.11
Fair Value of Plan Assets at end of year	–	–
Funded Status	(75.94)	(68.11)
Unrecognized Actuarial Gain / (Loss)	–	–
Unrecognized Past Service Cost- non vested benefits	–	–
Net Asset / (Liability) recognized in the balance sheet	(75.94)	(68.11)
IX Expense recognized in the statement of Profit & Loss A/C		
Current Service Cost	16.44	14.09
Interest cost	5.63	5.22
Past Service Cost- (non vested benefits)	–	–
Past Service Cost (vested benefits)	–	–
Unrecognized Past Service Cost- non vested benefits	–	–
Expected Return on Plan Assets	–	–
Net Actuarial (Gain) / Loss recognized for the year	(6.65)	(12.93)
Expense recognized in the statement of P & L A/C	15.42	6.38
X Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	68.11	68.80
Expenses as above	16.34	6.38
Contribution paid	(7.58)	(7.08)
Closing Net Liability	76.86	68.11
XI Schedule III		
Current Liability	8.59	24.33
Non-Current Liability	68.27	43.77

28.39 Corporate Social Responsibility:

Recognizing the responsibilities towards society, as a part of on-going activities, the company along with Motilal Oswal Foundation has contributed towards various CSR initiatives like supporting underprivileged in education, medical treatments, etc and various other charitable and noble aids.

- a) Gross amount required to be spent by the company during the year ₹ 22.10 Millions.

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

b) Amount spent during the year on :

(₹ In millions)

Particulars	Amount Paid	Amount yet to be paid	Total
International Foundation for Research and Education (Construction of Ashoka University)	0.10	–	0.10
International Foundation for Research and Education - For the Purpose of Construction of Ashoka University (through Motilal Oswal Foundation)	7.35	–	7.35
Jito Administrative (For the purpose of imparting training to Civil Services Examinations to a lot of Jain boys 7 girls who aspire to become an IAS officer)	3.00	–	3.00
Shloka Missionaries (Setting Up And Running English Medium Schools For Underprivileged Children)	1.11	–	1.11
Iskcon (Mid Day Meal Programme)	0.75	–	0.75
Muskaan Foundation (Providing Education to Children with Multiple Disabilities and Visual Impairment)	0.20	–	0.20
Ispat Cooperative Foundation (Purchase of Medical Equipments Required in Newly built Ispat Cooperative Hospital)	13.58	–	13.58
Oxfam India Corpus Fund (Contribution For Eradicating Poverty)	0.10	–	0.10
Friends of Tribals Society (For the purpose of upliftment of tribals and other deprived in rural India, by providing basic education to their children and giving the villagers health care education, development education and empowerment education)	0.03	–	0.03
Janata Shikshan Sanstha School (Construction of School)	0.18	–	0.18
Shree Hospital (Medical Expenses)	0.04	–	0.04
Foundation for Promotion of Sports and Games (Olympic Gold Quest)	0.10	–	0.10
Total	26.54	–	26.54

28.40 Impact of Change in Depreciation Policy

The management of the Company has identified tangible fixed assets and has reviewed / determined their remaining useful lives in accordance with the provisions of Schedule II to the Companies Act, 2013 and depreciation has been charged accordingly. Had the company continued to charge the depreciation as per Schedule XIV to The Companies Act 1956, the dep. would have been lower by ₹ 52.40/- Millions. The Company has given impact of Transitional Depreciation of ₹ 17.54 Million's by charging to WDV of Assets whose useful life has become NIL.

28.41 Additional Disclosure pertaining to Subsidiaries/Associate as per Schedule III of Companies Act, 2013

Sr No.	Name of the entity	Net Assets (i.e. Total Assets - Total Liabilities)		Share in Profit & (Loss)	
		As % of Consolidated Net Assets	Amount (₹ In Millions)	As % of Consolidated Profit / (Loss)	Amount (₹ In Millions)
	Parent				
1	Motilal Oswal Financial Services Limited	44.18%	5,747.80	42.13%	604.90
	Subsidiaries				
	– Indian				
2	Motilal Oswal Securities Limited	53.27%	6,931.48	75.30%	1,081.23

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

Sr No.	Name of the entity	Net Assets (i.e. Total Assets - Total Liabilities)		Share in Profit & (Loss)	
		As % of Consolidated Net Assets	Amount (₹ In Millions)	As % of Consolidated Profit / (Loss)	Amount (₹ In Millions)
3	Motilal Oswal Commodities Broker Private Limited	1.23%	159.58	-1.58%	(22.74)
4	Motilal Oswal Investment Advisors Private Limited	-2.83%	(367.77)	-0.08%	(1.15)
5	MOPE Investment Advisors Private Limited (Formerly known as Motilal Oswal Private Equity Advisors Private Limited)	2.34%	304.25	5.18%	74.33
6	Motilal Oswal Capital Markets Private Limited	0.04%	4.76	0.11%	1.57
7	Motilal Oswal Wealth Management Limited (Formerly known as Motilal Oswal Wealth Management Private Limited)	0.70%	91.69	4.51%	64.75
8	Motilal Oswal Insurance Brokers Private Limited	-0.14%	(18.40)	-0.41%	(5.92)
9	Motilal Oswal Asset Management Company Limited	-0.48%	(62.76)	3.65%	52.48
10	Motilal Oswal Trustee Company Limited	0.00%	0.62	0.04%	0.58
11	Motilal Oswal Securities International Private Limited	-0.03%	(3.56)	0.12%	1.77
12	Motilal Oswal Real Estate Investment Advisors Private Limited	-0.02%	(2.12)	-0.15%	(2.14)
13	Motilal Oswal Real Estate Investment Advisors II Private Limited	-0.27%	(34.80)	-1.39%	(19.89)
14	Aspire Home Finance Corporation Limited	0.15%	18.97	1.51%	21.74
- Foreign					
1	Motilal Oswal Capital Markets (Honkong) Private Limited	-0.13%	(17.37)	-0.55%	(7.97)
2	Motilal Oswal Capital Markets (Singapore) Pte. Limited	0.00%	0.53	0.11%	1.56
3	India Business Excellence Management Company (Registered in Mauritius)	0.44%	57.30	3.96%	56.79
4	Motilal Oswal Asset Management (Mauritius) Pvt. Ltd.	0.00%	(0.39)	-0.03%	(0.42)
Total		98.45%	12,809.81	132.43%	1,901.46
Eliminations Adjusted		-2.85%	(371.22)	-32.65%	(468.83)
Net Total		95.60%	12,438.57	99.78%	1,432.65
Minority Interest in all Subsidiaries		0.48%	62.87	-1.38%	(19.80)
Associate					
- Indian					
1	India Realty Excellence Fund II LLP	3.92%	509.93	1.6%	22.97
Grand Total		100.0%	13,011.38	100.0%	1,435.82

28.42 Schedule of Investment in Associates

For FY 2014-15*

Name of Associate	Original cost of Investment	Goodwill/ (Capital Reserve) included in Original cost	Dividend	Investors Shares in accumulated Profit / Losses	Carrying Value
IREF II LLP (Principle Activity - Real Estate) (Owning Interest 18.60%)	485.61	-	-	24.32	509.93

* Net of Receipts on realization.

28.43 Financial Highlights of Subsidiary Companies For year ended 31st March, 2015.

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 millions)

1.	Sl. No.	1	2	3	4	5	6	7	8	9
2	Name of the subsidiary	Motilal Oswal Securities Limited (MOSL)	Motilal Oswal Investment Advisors Private Limited (MOIAPL)	MOPE Investment Advisors Private Limited (MOPE)	Motilal Oswal Commodities Broker Private Limited (MOCBPL)	Motilal Oswal Insurance Brokers Private Limited (MOIBPL)	Motilal Oswal Capital Markets Private Limited (MOCMPL)	Motilal Oswal Asset Management Company Limited (MOAMC)	Motilal Oswal Trustee Company Limited (MOTC)	Motilal Oswal Wealth Management Limited (MOWML)
3	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								
4	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
5	Share capital	13.19	99.00	0.59	4.10	30.00	12.50	650.00	1.00	0.80
6	Reserves & surplus	7,009.45	35.95	357.66	164.50	(18.52)	4.76	(62.63)	0.62	138.67
7	Total assets	13,658.83	208.86	418.25	3,045.68	17.25	17.77	989.39	1.83	205.69
8	Total Liabilities	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Investments	6,556.60	28.53	268.34	50.00	–	–	465.17	–	–
10	Turnover	5,425.61	200.65	254.86	91.40	4.16	2.38	878.34	1.22	299.15
11	Profit before taxation	1,492.99	(2.09)	113.00	(35.32)	(8.56)	1.80	52.48	0.85	94.02
12	Provision for taxation	411.76	(0.93)	38.99	(12.58)	(2.64)	0.23	–	0.28	29.27
13	Profit after taxation	1,081.23	(1.15)	0.00	(22.74)	(5.92)	1.57	52.48	0.58	64.75
14	Proposed Dividend	139.80	–	–	–	–	–	–	–	–
15	% of shareholding	100	100	85	100	99.67	100*	100*	100*	100*

(Continued....)

NOTES TO CONSOLIDATED FINANCIAL STATEMENT (Contd..)

(₹ In millions)

I	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	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							
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA	1HKD = ₹ 8.0733	1SGD = ₹ 45.5618	NA	NA	NA	1USD = ₹ 62.6044	1USD = ₹ 62.6044
5	Share capital	45.69	41.20	9.89	1,500.00	1.00	49.60	0.00	1.83
6	Reserves & surplus	(3.56)	(17.37)	0.53	18.99	(2.22)	(34.81)	(0.39)	69.83
7	Total assets	46.65	24.37	11.18	4,003.90	0.28	42.45	0.07	90.09
8	Total Liabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Investments	–	–	–	200.00	0.19	–	–	0.01
10	Turnover	19.51	0.00	13.75	239.09	0.01	109.96	–	187.22
11	Profit before taxation	2.57	(7.97)	1.78	38.57	(2.11)	(28.48)	(0.42)	58.55
12	Provision for taxation	0.81	–	0.21	16.83	–	(8.67)	–	1.76
13	Profit after taxation	1.77	(7.97)	1.56	21.74	(2.11)	(19.80)	(0.42)	56.79
14	Proposed Dividend	–	–	–	–	–	–	–	–
15	% of shareholding	100*	100*	100*	99.99*	76.50**	68.85***	100****	85**

* through MOSL; ** through MOPE; *** through MORE; **** through MOAMC

Notes:-

1. There are no subsidiaries which are yet to commence the operation during the year under review.
2. There are no subsidiaries which were liquidated or sold off during the year under review.
3. Share application money is not included in total liability as well as share capital.
4. Turnover includes other income.
5. Percentage of shareholding is Effective Shareholding.

Part “B” : Associates and Joint Ventures *

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates / Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end		Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
	1	2		3	4	5	6	
		No.	Amount of Investment in Associates / Joint Venture				i. Considered in Consolidation	i. Not Considered in Consolidation
NOT APPLICABLE								

* Disclosure is required to be given only in case of Associate Companies and Joint Ventures and not in case of other enterprises.

28.44 Previous year figures have been regrouped / rearranged where necessary to make them comparable.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Reg No. 103523W

Amit Hundia

Partner

Membership No. 120761

Place : Mumbai

Date : 30th April, 2015

For and on behalf of the Board of Directors

Motilal Oswal Financial Services Ltd.

Motilal Oswal

Chairman & Managing Director

Raamdeo Agarawal

Joint Managing Director

Sameer Kamath

Chief Financial Officer

MOTILAL OSWAL FINANCIAL SERVICES LTD.

Motilal Oswal Tower, Rahimtullah Sayani Road,
Opposite Parel ST Depot, Prabhadevi, Mumbai - 400025



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