

POWERING AHEAD



EQUITY EXPERTS
FOR OVER
30
YEARS

 **MOTILAL OSWAL**

ANNUAL REPORT 2019-20



POWERING AHEAD

These are challenging times for the economy, business and humankind. With an Unknown & Unknowable environment, times are tough for business. But when the going gets tough; the tough get going. It's what we at Motilal Oswal Financial Services believe in. With a strong balance sheet, a passionate team and a positive, enterprising attitude; we hope to sail over any hurdles that come our way. After all, "Tough times don't last; tough people do".

CONTENTS

MDs' MESSAGE	02
BOARD OF DIRECTORS	04
KEY PEOPLE	05
PERFORMANCE AT A GLANCE	06
BUSINESS SNAPSHOT	08
5 YEARS PERFORMANCE HIGHLIGHTS	10
BOARD'S REPORT	13
MANAGEMENT DISCUSSION & ANALYSIS	48
REPORT ON CORPORATE GOVERNANCE	57
BUSINESS RESPONSIBILITY REPORT	77
FINANCIAL STATEMENTS	85

MDs' MESSAGE



Mr. Motilal Oswal

Managing Director &
Chief Executive Officer

Dear Shareholders,

The nature of FY2020 remained volatile and challenging for the overall markets with various macro-level headwinds like weak auto sales, muted growth in personal and consumer loans and sluggish rural demand. Adding to these woes was the default of a major housing finance company, escalation in US-China trade tensions and fall in oil prices. Even then, equity markets enjoyed a bull run for most part of the year with the Sensex and Nifty touching an all-time high in January. But with the origination and spread of coronavirus and significant lockdown imposed by the government, economic activity was severely disrupted. India's growth engines (private consumption, private investment and exports) slowed down significantly due to tightening credit and poor customer sentiment. Despite such challenges during the year, our company withstood the volatility and continued

to march towards achieving linearity in the business. We continue to remain optimistic on the growth potential of all our business verticals given the robust fundamental structure and revival in macro-conditions. Our consolidated revenues for FY2020 stood at ₹ 2,411 crores and consolidated operating PAT for FY20 was at ₹ 398 cr, +56% YoY. Operating PAT is excluding MTM on fund based investments. FY20 reported profit was lower at ₹ 183 cr on account of MTM loss on fund based investments. Our RoE, excluding other comprehensive income, stands lower on YoY basis at 6.6%. Going forward, our focus on knowledge, talent, processes, technology, brand & culture and inter-segment synergies will pave the road for achieving milestones across all business verticals.

Despite regulatory changes on fees and AUM de-growth driven by market correction during the year, PAT of our Asset Management business grew 9% YoY. Our AMC AUM which includes MFs, PMS and AIFs stood at ₹ 29,691 crores at the end of FY2020. We firmly believe in our QGLP (Quality, Growth, Longevity and Price) philosophy which has rewarded us over the years in terms of performance and will continue to follow and improvise it. Our AMC business has always been the promoter of trail based model and hence the ban on upfront fee structure has been in our favour. Slab wise Total Expense Ratio (TER) changes has triggered higher redemption in 1st quarter of the year resulting in negative net flows for the quarter. However, improvement in performance of most of the schemes and effort of right communication to customers resulted in positive net flows for the remaining quarters. The impact of TER change has been shared with distributors in same proportion of commission sharing, so net impact to us is lower. During the year PE business AUM has witnessed growth of 3% YoY to reach ₹ 6,530 crore led by successful fund raising of IREF-4 fund. We did not record any carry income during the year. Our Wealth Management business got impacted on account of lower net sales during the year led by challenging market conditions and adverse regulatory measures. Because of this, our AUM declined to ₹ 15,624 crores. But we have been successful in adding new families. With the improvement in the vintage of RMs, the profitability of our Wealth Management business is poised for further traction.

On the Capital Markets front, the suppressed sentiments and dip in FII flows had an impact on primary and secondary markets. Despite such headwinds, we were successful in adding around 2.5 lakh clients taking the total Retail client base to ~14.5 lakh. Our distribution AUM has reached above ₹ 9,034 crore and has huge head-room for growth as the client penetration stands at ~16% of our retail client base. In Institution Equities business, our rankings and clientele continued to remain robust. The Investment Banking business during the year remained under pressure as primary market activities almost dried up as companies put their capital raising plans on hold. We

continue to engage on a wide cross-section of mandated transactions across capital markets and advisory. As the markets recover, we expect a number of these transactions to conclude successfully.

On our Housing Finance business, our efforts were concentrated in building a newer version of business with alignment of processes remaining the utmost priority. Our senior management team with all functional heads (Risk, Credit, Technical, Legal, Collections) is now in place. We have verticalised the organizational structure with independent sales, credit, collection and legal teams. There was a significant reduction in NPAs in FY20 post sell of NPA book to ARC. After implementing several changes in Aspire along with parent support, it has now culturally aligned with MOFSL group. Hence, we have changed the name of “Aspire Home finance” to “Motilal Oswal Home Finance” which will yield multiple benefits. Going forward, our focus will continue to make our Housing Finance business a turn-around story.

In our fund based businesses (comprising of sponsor commitments to quoted equity and private equity funds), most of the gains are still unrealized and yet to be booked in our reported P/L. As per IND-AS, these gains are a part of our reported earnings. Our QGLP philosophy, niche expertise in equities, proven track record and belief in ‘skin in the game’, augurs well for our fund based business.

Some of the key highlights of FY2020 include 9% growth in PAT of Asset Management business, 4% growth in PAT of Broking business, profit of ₹ 39 crore for Home Finance business in FY20, Index Funds launch in AMC. We have maintained dividend payout policy with dividend payout ratio of 39%. Company has also initiated Buyback of equity shares upto ₹ 1.5 bn (excluding tax).

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

Although, International Monetary Fund slashed its FY21 growth projection for India to 1.9% (from 5.8% projected in January), India stands to benefit in this uncertain environment. Many global MNCs are likely to consider diversifying their manufacturing operations from China to India given the low corporate tax rate, skilled population, relatively low wages and a large domestic market. Also, the growing demand for affordable housing industry stands positive for our business. Sustenance of macros at reasonable levels augurs well for our business and industry as a whole. As these macro trends open up opportunities, our experience and emphasis on ‘knowledge first’ give us the ability to capture these growth prospects.

With best wishes,



Sincerely,
Motilal Oswal
Managing Director & Chief Executive Officer
Motilal Oswal Financial Services Ltd.

BOARD OF DIRECTORS



RAAMDEO AGRAWAL
Non-Executive Chairman



MOTILAL OSWAL
Managing Director &
Chief Executive Officer



NAVIN AGARWAL
Managing Director



VIVEK PARANJPE
Independent Director



PRAVEEN TRIPATHI
Independent Director



SHARDA AGARWAL
Independent Director



REKHA SHAH
Independent Director

Kailash Purohit

Company Secretary and Compliance Officer

Statutory Auditors

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

Internal Auditors

M/s. Aneja Associates

Registrar and Share Transfer Agent

Link Intime India Private Limited.

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

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

Registered Office

Motilal Oswal Financial Services Limited (MOFSL)

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

CIN: L67190MH2005PLC153397

Website: www.motilaloswalgroup.com

Board: +91 22 7193 4200 / 7193 4263

Fax: +91 22 5036 2365

Email: shareholders@motilaloswal.com

KEY PEOPLE

Capital Market Businesses



AJAY KUMAR MENON
CEO, Broking & Distribution Business,
Whole-time Director, MOFSL



RAJAT RAJGARHIA
CEO, Institutional Equities
Business



ABHIJIT TARE
CEO, Investment Banking
Business

Asset & Wealth Management Businesses



AASHISH SOMAIYAA
Managing Director & CEO,
Asset Management Business



VISHAL TULSYAN
Managing Director & CEO,
Private Equity Business



VIRENDRA SOMWANSHI
CEO, Private Wealth
Management Business

Housing Finance Business



VIJAY KUMAR GOEL
CEO



RAMNIK CHHABRA
Group Head, Marketing



SUDHIR DHAR
Group Head, Human Resource
& Administration



PANKAJ PUROHIT
Group Head,
Information Technology

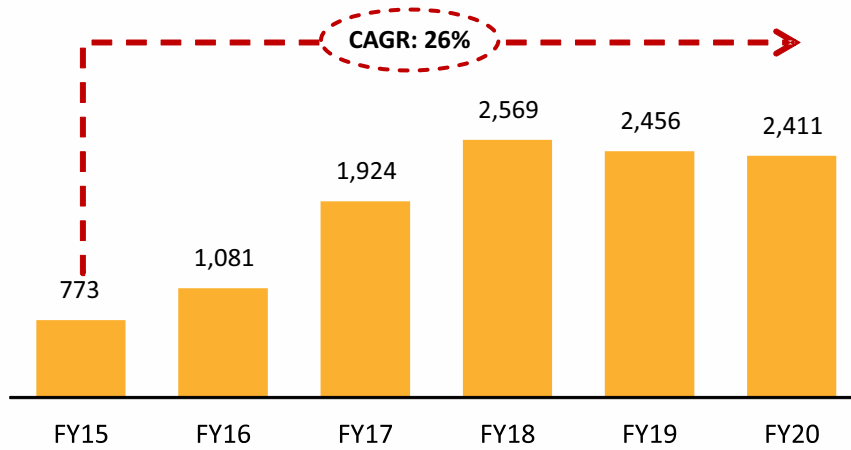
Business Enablers



SHALIBHADRA SHAH
Chief Financial Officer

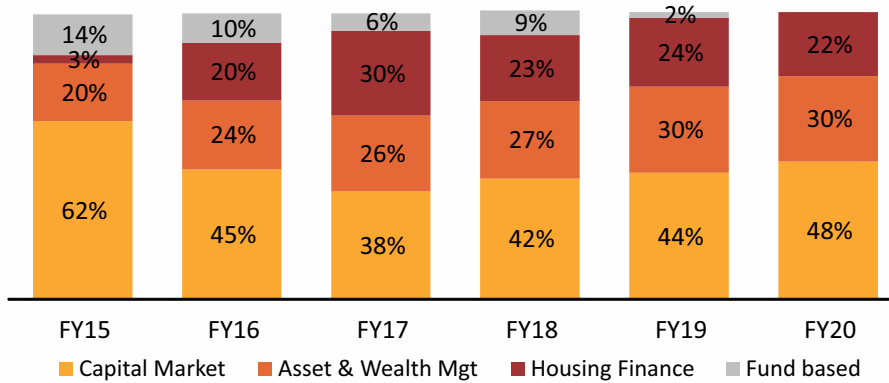
PERFORMANCE AT A GLANCE

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

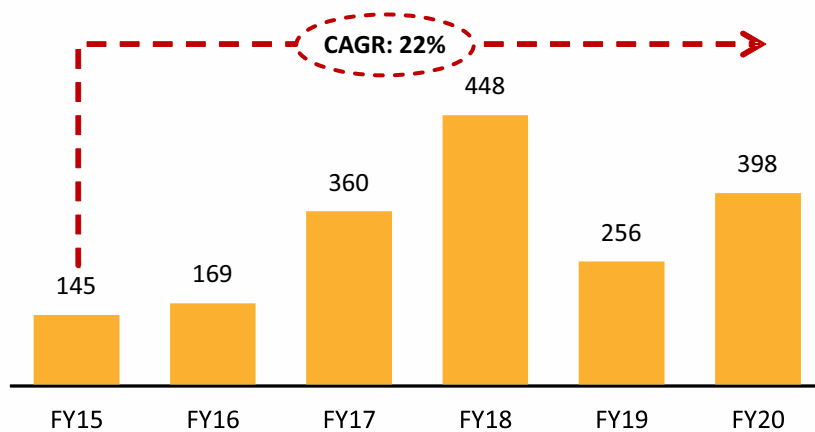


Note: Revenues for FY18, FY19 & FY20 are excluding MTM on fund based investments.

Revenue Composition %

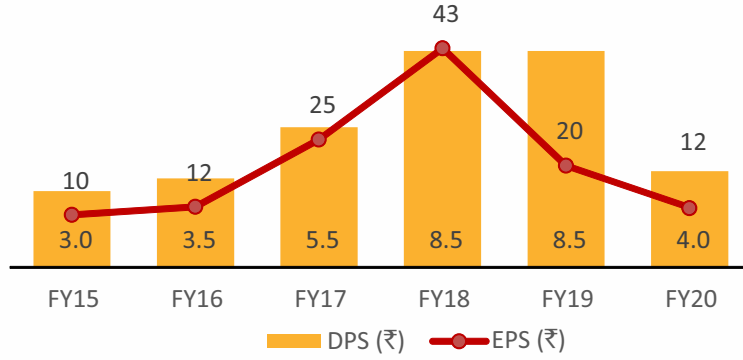


PAT Trend (₹ Crore)

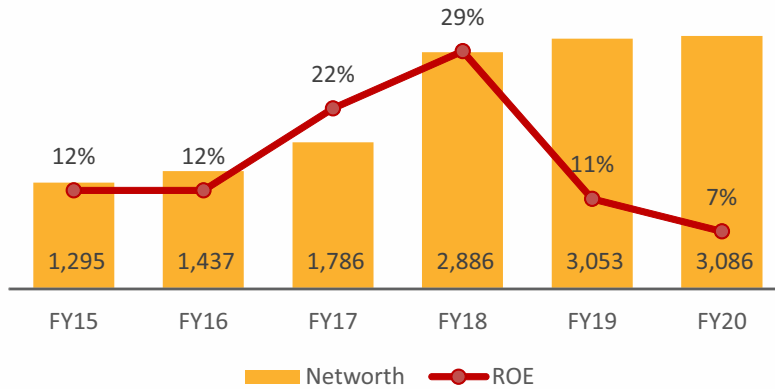


Note: PAT numbers are post minority. PAT for FY18, FY19 & FY20 are excluding MTM on fund based investments.

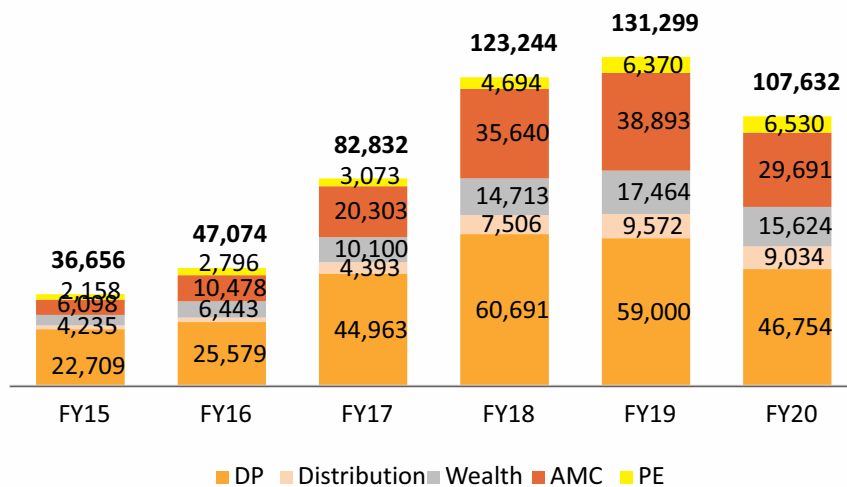
Dividend & Earning Per Share



Net Worth (₹ Crore)



Assets Under Management Advice (₹ Crore)



BUSINESS SNAPSHOT

Broking & Distribution

- In FY20, the total retail client base stood at 14,48,935, with a CAGR of 16% from FY16-20
- The client acquisitions stood at ~2,42,000 in FY20, registering a YoY growth of 72%
- Our financial product distribution AUM stood at ₹ 9,034 crores as of Mar 2020, with only 16% of total client base tapped
- Online volumes contribute ~57% of the total retail volumes traded
- Research and advisory continue to be the strong base of broking services
- MOFSL gets inducted in the HALL OF FAME at the 10th Financial Advisor Awards

Institutional Equities

- Ranked #1 in Overall Sales, Sales Trading & Corporate Access and #2 in Best Local Brokerage awards category at Asia Money Brokers Poll 2019
- Focus driven differentiated research products with 250+ companies covering 21 sectors
- Continued to acquire new empanelment and maintained it with +700 institutions
- Continued our successful trend in conducting 'AGIC' which saw the participation of around 1000 investors
- Conducted our 1st Annual Midcap Conference in 2019
- Launched our 1st edition of the virtual conference in 2020

Investment Banking

- FY2020 has been a year under pressure, the primary reason being volatile market sentiments, which led many companies to put their capital-raising plans on hold
- Continue to have rich pipeline, and are constantly engaging on a wide cross-section of mandated transactions across capital markets and advisory

Asset Management

- Registered highest ever profit of ₹ 160 cr in FY20, a growth of 9% YoY
- AMC AUM stood at ₹ 29,691 crores as of Mar 2020. AUM was down mainly due to market correction. AAUM stood at ₹ 36,774 in FY20
- Mutual Fund AUM, PMS AUM, and AIF AUM stood at ₹ 15,980 crores, ₹ 11,628 crores, and ₹ 1,891 crores respectively as of Mar 2020
- Our rank in Equity AUM was 15, whereas we continued to remain the market leader in PMS industry
- Our share of Alternate assets, comprising of PMS & AIF, is the highest among AMC's at ~46%.
- Forayed into Passive Category with the launch of Index Funds

Private Equity

- PE and RE AUM stood at ₹ 6,530 crores, +3% YoY across three growth capital funds, and four real estate funds
- Growth capital funds have been successful in gaining investors' confidence with stellar returns over the years. IBEF I have delivered a portfolio XIRR of ~27%
- IBEF III stands fully raised at ~₹ 23 bn and already deployed ~₹ 9.8 bn across 6 investments, and the fund is extensively evaluating opportunities across its preferred sectors
- IREF II and III fully deployed, generating 21%+ IRR on exited investments
- IREF IV achieved its final close in February 2020 at ₹ 11.48 billion. The fund has deployed ₹ 530 crores across 9 investments

Wealth Management

- Our wealth AUM stood at ₹ 15,624 crores as of Mar 2020
- The client acquisition saw an encouraging growth with the number of families under our business, increasing 13% YoY to 4,186
- Our trail revenues, which account for 70% of total revenues, now cover 80% of fixed costs
- Investments in strong RM addition suppressed reported profitability
- New MD & CEO has joined us with over 20+ years of experience in Wealth Management Industry

Housing Finance

- Normalcy restored in profitability in FY20. We have reported a profit of ~₹ 39 cr in FY20. We have quarterly exit PPOP/PBT run rate at ₹ 40 cr / ₹ 28 cr, respectively
- Name changed from Aspire Home Finance to 'Motilal Oswal Home Finance' with effect from 28th May, 2019. This name change has yielded multiple benefits
- Received rating upgrade from CRISIL to AA-/ Stable in May 2019
- New book performance continues to remain encouraging with only 3 cases are in NPAs out of ~5000 cases disbursed i.e., 0.1% NPAs
- Asset quality has improved significantly with GNPA at 1.8% and NNPA at 1.36% in FY20.
- Limited borrowing repayments for the next 1 year, strong undrawn borrowing lines, and ALM places us in a comfortable liquidity situation
- We have strong Liability Mobilizations from various Banks & Institutions at competitive rates and Strong support from the parent group Motilal Oswal Financial Services
- Strong Capital adequacy ratio of 47.6% with Tier I at 46% in FY20

*All data as of Mar 2020

5 YEARS PERFORMANCE HIGHLIGHTS

CONSOLIDATED FINANCIAL PERFORMANCE OF MOTILAL OSWAL FINANCIAL SERVICES LIMITED

(₹ in Lacs; unless otherwise stated)

Year Ended March 31	2020	2019	2018	2017	2016
Total Operating Revenue (excluding fund based MTM)	241,056	245,573	256,867	173,830	102,978
Total Operating Expense	186,119	208,384	192,326	136,433	85,611
Profit before Exceptional Item and Tax	54,937	37,189	64,541	37,397	17,367
Exceptional Item Income/(Expenses)	-	-	-	-6,125	-
Operating Profit Before Tax	54,937	37,189	64,541	43,522	17,367
Tax Expenses (excluding tax on fund based MTM)	14,399	11,147	18,710	13,404	6,122
Operating Profit after Tax before OCI & Minority Interests	40,538	26,042	45,831	30,118	11,245
Minority Interests Profit	702	436	1,002	1,060	255
Operating Profit after Tax before OCI	39,836	25,606	44,829	29,058	10,990
Fund Based MTM after Tax	-21,497	3,789	17,397	6,940	5,918
Profit after Tax before OCI	18,339	29,396	62,226	35,999	16,908
Other comprehensive income	-5,986	-289	11,121	-	-
Total comprehensive income after Minority Interests	12,353	29,106	73,347	35,999	16,908
Paid up Equity Capital	1,481	1,457	1,451	1,445	1,422
Net Worth	308,630	305,344	288,590	178,603	143,651
Book Value Per Share	208.44	209.60	198.91	123.64	101.04
Basic Earnings per share (₹ 1 each)	12.47	20.21	43.00	25.14	11.94
Diluted Earnings per share (₹ 1 each)	12.20	19.67	42.32	24.79	11.74

("MTM" denotes "Mark to Market" & "OCI" denotes "Other Comprehensive Income")

Annual Report 2019-20



This page left intentionally blank

Board's Report

Dear Members,

The Directors of your Company have the pleasure in presenting the Fifteenth Board's Report together with the Audited Financial Statements for the financial year ended March 31, 2020.

Financial Results

The summary of the Company's financial performance, both on a consolidated and standalone basis, for the Financial Year ("FY") 2019-20 as compared to the previous FY2018-19 is given below:

(₹ in Lakhs)

Particulars	Consolidated		Standalone	
	2019-20	2018-19	2019-20	2018-19
Total Revenue	236,541	246,174	130,639	124,869
Profit before Interest, Depreciation, Taxation and exceptional items	81,937	91,870	35,318	51,579
Interest	49,447	51,685	12,924	10,428
Depreciation	3,971	2,395	2,984	1,801
Profit before taxation	28,519	37,790	19,410	39,350
Add/(Less) : Provision for Taxation				
Current Tax	13,371	18,426	7,056	8,914
Deferred Tax	(6,424)	(9,100)	(7,326)	(1,927)
Less : Tax for earlier year(s)	32	(61)	–	–
Tax Expenses	6,979	9,265	(270)	6,987
Profit after Taxation from Continuing Operations	21,540	28,526	19,680	32,363
Loss from discontinuing operations before tax	–	–	–	(186)
Tax on discontinuing operations	–	–	–	54
Loss from discontinuing operations after tax	–	–	–	132
Share of Profit from Associates and Joint Ventures (net of taxes)	(2,582)	1,306	–	–
Profit for the Period	18,958	29,831	19,680	32,231
Add/Less: Other Comprehensive Income (OCI)				
Actuarial gain/(loss)	201	190	57	34
Fair value gain/(loss) of investment held through FVOCI	(6,914)	(470)	(4,489)	(737)
Tax on OCI	727	(10)	499	74
Total Comprehensive Income	12,972	29,541	15,747	31,603
Less: Total comprehensive income attributable to Non-controlling interests	(618)	(436)	–	–
Total comprehensive income attributable to Owners of parent	12,354	29,105	15,747	31,603
Add: Balance brought forward from previous year	2,17,715	2,05,063	185,181	167,001
Profit Available for appropriation	12,354	29,105	15,747	31,602
Less: Appropriations				
Transfer to Statutory Reserve	(782)	(42)	–	–
Transfer to Capital redemption Reserve	–	(245)	–	–
Interim Dividend and Final Dividend	(12,984)	(12,505)	(12,491)	(12,374)
Dividend Distribution Tax	(2,603)	(2,733)	(2)	(1,048)
Expected Credit Loss Impairment reserve	(62)	–	–	–
Transfer to General Reserve	133	–	–	–
Transfer to Minority interest	1,148	(928)	–	–
Balance of Profit carried forward	2,14,919	2,17,715	188,435	185,181

Board's Report (Contd.)

FINANCIAL PERFORMANCE

Standalone

The standalone revenues in FY2019-20 stood at ₹ 1,306 crores vs ₹ 1,249 crores in FY2018-19. Total expenses (before interest and depreciation) for the year came in at ₹ 953 crores which increased by 30% over previous year. People cost increased 12% to ₹ 312 crores. Operating expenses increased by 5% to ₹ 333 crores. Other costs were ₹ 150 crores, an increase of 11% over previous year. The profit before depreciation, interest, exceptional items and taxation (EBITDA) stood at ₹ 353 crores. Reported net profit for the year came in at ₹ 197 crores.

Consolidated

The consolidated revenues during the year under review were ₹ 2,365 crores, a decrease of 4% as compared to the previous year.

Broking and related income grew 8% YoY to ₹ 1,225 crores. The average daily traded volumes (ADTO) for the equity markets during FY2019-20 stood at ₹ 14.44 lakh crores, up 45% YoY from ₹ 9.93 lakh crores in FY2018-19. The overall Cash market ADTO reported growth of 11% YoY at ₹ 39,068 crores in FY2019-20. Delivery saw growth of 3% YoY to ₹ 9,140 crores v/s 8% de-growth in FY2018-19. Within derivatives, future volumes increased 0.4% YoY to ₹ 87,950 crores while options rose 51% to ₹ 13.17 lakh crores. Amongst cash market participants, retail constitutes 52% of total cash volume, institution constitutes 25% of total cash volume and prop constitutes 23%. The proportion of DII in the cash market was 10.1%. The increase in demat accounts during the year stood at 13% with total number of accounts as on March, 2020 at 4.08 crores. The revival in market sentiments is expected to give push to the primary market activities and overall volumes.

- The company had more than 14,48,935 retail broking and distribution clients growing at a CAGR of 16% from FY2019-20. Client acquisition stood at ~2,42,000 during the year, +72% YoY.
- The distribution revenues contribute 15%/9.3% of the gross / net total income respectively with continual traction in distribution business. Our financial product distribution AUM was ₹ 9,034 crores as of March, 2020, with net sales of ₹ 924 crores in FY2020.
- Investment banking fee saw a decline over the previous year, to ₹ 12 crores. The overall market volatility caused due to various issues like economic slowdown, global trade war and the COVID-19 pandemic kept the IPO & QIP transactions muted during the year. The pipeline remains robust and is likely to fructify once the pandemic ends.
- Asset management income declined by 4% YoY to ₹ 556 crores, as compared to last year. Total assets under management / advice across mutual funds, PMS and private equity businesses was ₹ 29,691 crores, down 24% YoY. Within this, the mutual fund AUM was down 20% YoY to ₹ 15,981 crores, PMS AUM was down 27% YoY to ₹ 11,628 crores and AIF AUM was ₹ 1,891 crores. The company entered into the arena of passive investing and launched six index funds this year.
- The private equity income excluding the share of lumpy profits on investment exits stood at ₹ 107 crores. The income from wealth management business stood at ₹ 100.7 crores. The wealth management AUM continued to attract assets with closing AUM for FY2020 at ₹ 15,624 crores.
- Housing finance related gross income of ₹ 233 crores. The focus was more on improving the asset quality and risk management. HFC loan book was ₹ 3,667 crores, as of March, 2020

In line with the long term strategy to grow RoE sustainably, Motilal Oswal Financial Services Limited (MOFSL) had made strategic allocation of capital to long term RoE enhancing opportunities like Motilal Oswal Home Finance Limited, and sponsor commitments to our mutual fund and private equity funds. As of March, 2020, our total quoted equity investments stood at ₹ 1,220 crores. Unrealized gain on all investments was ~₹ 172 crores.

Total expenses (before interest and depreciation) for the year at ₹ 1,546 crores registered a marginal increase of 0.2% over previous year. Profit before depreciation, interest, exceptional items and taxation (EBITDA) stood at ₹ 819 crores, a decline of 11% from the previous year. Profit for the year (post minority interest) declined by 26% to ₹ 209 crores.

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

FUTURE OUTLOOK

Our strategy to diversify our business model towards more annuity sources of earnings is showing definite results. The annuity nature of earnings in the new businesses like asset based businesses and housing finance business has brought in visibility of our earnings. Our businesses have stood strong in the volatile year of FY2020 while maintaining operating parameters. Our brand is now being recognized across each of our businesses. The opportunity size in all our business segments is still huge, and our businesses are well placed to benefit from the growth potential they offer.

Board's Report *(Contd..)*

CONSOLIDATED FINANCIAL STATEMENT

As per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules issued thereunder (as amended from time to time), the Consolidated Financial Statement of the Company for the FY2019-20 have been prepared in compliance with applicable Indian Accounting Standards and on the basis of Audited Financial Statement of the Company and its subsidiaries, as approved by the respective Board of Directors.

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

COVID-19 – MOFSL POWERING AHEAD

The COVID-19 pandemic continues to spread rapidly across the globe including India. The COVID-19 outbreak was declared a global pandemic by the World Health Organization and has caused social and economic disruption. As the human toll mounts, so does the capital markets damage.

The Indian government had announced nationwide lockdown in India. In this nation-wide lock-down period, though all the services across the nation were suspended (except the specified essential services), some establishments including securities market intermediaries could operate and were exempted from the lock-down. Accordingly, your Company continued its operations through minimal staff working at office premises and rest all working from home.

Your Company adopted several measures to fight against COVID-19 and to ensure business continuity across its offices and branches. Some of the measures taken by the Company are as follows:

- Contribution of ₹ 5 crores at Group level to Prime Minister's Relief Fund and ₹ 1 crore to Maharashtra Chief Minister's Relief Fund
- Payment of Bonus to reward the efforts put in by employees in FY2019-20 and Salaries were credited in advance for the month of April, 2020
- Implementation of various Operational Plans for Business Continuity and Associate Safety
- 'Work from Home' facility for employees was provided 1 week in advance before announcement of lockdown without compromising any commitments
- IT infrastructure support was rolled out overnight to help our employees shift to this new work paradigm
- Necessary Food & Stay Arrangements at Office for Business Critical Employees (BCEs) i.e. employees working from Office Premises
- Providing Appreciation Certificate(s) to BCEs
- Conducting temperature checks of all employees/staffs/visitors at entry of all offices/branches
- Various online contest/challenges were conducted to keep employees engaged, motivated and connected by allowing them to showcase their other skills/talents.
- Motivational mails sent by CEO/HR head and awareness mails circulated by HR team.
- Conducting Virtual Meetings
- Following of social distancing norms i.e. minimum 6 ft distance to be followed
- No entry in Offices/Branches for external visitors
- Provision of hand sanitizers and N95 masks, compulsory hand sanitization for all individuals at frequent intervals and daily periodic sanitization of offices, work-area etc.
- HR team personally ensuring the well-being of employees through calls

Your Company strongly believes that when the going gets tough; the tough get going. With a strong balance sheet, a passionate team and a positive, enterprising attitude; we hope to sail over any hurdle that come our way. Tough times don't last; tough people do.

INFORMATION ON THE STATE OF AFFAIRS OF THE COMPANY

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

MATERIAL CHANGES AND COMMITMENTS, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and the date of this Report.

Board's Report (Contd.)

DIVIDEND

The Board of Directors of the Company has approved the Dividend Distribution Policy ("Policy") in line with the requirements of the Listing Regulations. The Board of Directors at its Meeting held on March 21, 2020 has amended the policy thereby changing the circumstances under which shareholders may not expect dividend and financial parameters mentioned in the Policy. The Policy is appended as "Annexure 1" to the Board's Report and is also been uploaded on the Company's website at <https://www.motilaloswalgroup.com/Downloads/IR/206776066708.-Dividend-Distribution-Policy.pdf>

The Board of Directors of the Company at its meeting held on January 22, 2020, had declared and paid an Interim Dividend of ₹ 4.00/- per Equity Share for the FY2019-20, out of the profits of the Company for the third quarter and nine months ended December 31, 2019, on 14,79,98,193 Equity Shares of face value of ₹ 1/- each, aggregating to ₹ 59,19,92,772/-.

CREDIT RATING

During the year under review, ICRA Limited reaffirmed the long term credit rating of [ICRA] AA" Rating with a stable outlook to the Non-Convertible Debentures ("NCDs") Programme of ₹ 350 crores of the Company.

CRISIL Limited reaffirmed the Credit Rating of "CRISIL A1+" and India Rating & Research Private Limited has also reaffirmed the Credit Rating of "IND A1+" to the Commercial Programme of ₹ 1,300 Crores of the Company. Accordingly, there was no revision in the credit ratings during the year under review. The ratings indicate a very strong degree of safety regarding timely servicing of financial obligations.

Further, CRISIL has upgraded credit rating to AA- with a stable outlook from earlier A+ (stable) for Long Tem Borrowings Programme of Motilal Oswal Home Finance Limited, material subsidiary of the Company.

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

SHARE CAPITAL

During the year under review, the Company has allotted 10,55,432 Equity Shares under various Employee Stock Option Schemes of the Company. Further, the Company has allotted 13,30,928 equity shares under preferential allotment for consideration other than cash.

Pursuant to the allotment of the Equity Shares, the paid up Equity Share Capital of the Company as on March 31, 2020 is ₹ 14,80,66,718/- (Rupees Fourteen Crores Eighty Lakhs Sixty Six Thousand Seven Hundred and Eighteen only).

The Authorised Share Capital of the Company as on March 31, 2020 is ₹ 149,00,00,000/- divided into 92,50,00,000 Equity Shares of ₹ 1/- each and 56,50,000 Preference Shares of ₹ 100/- each.

BUY-BACK OF EQUITY SHARES

The Board of Directors at its Meeting held on March 21, 2020 approved the proposal of Buy-back of equity shares of the Company from the open market through the stock exchanges for a total amount not exceeding ₹ 150,00,00,000/- at a price not exceeding ₹ 650/- per equity share. The Buy-back period commenced on April 01, 2020.

DEBENTURES

1,500 NCDs of ₹ 10 Lakhs each aggregating to ₹ 150 Crores issued by the Company are outstanding as on March 31, 2020.

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

Vistra ITCL (India) Limited

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

EMPLOYEE STOCK OPTION SCHEMES

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

Further, the Company confirms that all the Employee Stock Options Schemes of the Company are falling under direct route and not Trust route and accordingly the provisions related to Trust route as specified in the SBEB Regulations are not applicable to the aforesaid schemes of the Company. Further, all the permanent employees (except the persons as mentioned in the regulations) of the Company, its holding company and its subsidiary companies are entitled to participate in said schemes of the Company. Further, the

Board's Report (Contd.)

Company confirms that the Company has not granted employee stock options equal to or exceeding one percent of the issued capital of the Company at the time of grant of stock options to any employees of the Company/Holding Company/Subsidiary Company.

The certificate from the Statutory Auditors, confirming compliance with the aforesaid provisions is available on the website of the Company at www.motilaloswalgroup.com

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

SUBSIDIARY COMPANIES

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

Further, the Company has incorporated wholly owned subsidiary namely Glide Tech Investment Advisory Private Limited ("GTIAPL") at Mumbai on November 25, 2019 to provide registered investment advisory services through IT enabled platform.

As of March 31, 2020, the Company had 19 subsidiaries (including step down subsidiaries). The details of these subsidiaries are set out in form MGT-9 forming part of the Annual Report. There are no associate companies or joint venture within the meaning of Section 2(6) of the Act as on March 31, 2020.

Further, pursuant to the provisions of Section 136(1) of the Act, the financial statement for the period ended March 31, 2020 of each subsidiary of the Company is available on the website of the company at www.motilaloswalgroup.com.

MATERIAL SUBSIDIARIES

As required under Regulations 16(1)(c) and 46 of the Listing Regulations, the Board of Directors has approved the Policy on Determination of Material Subsidiaries ("Policy"). The said policy is available on the website of the Company at <https://www.motilaloswalgroup.com/Downloads/IR/212618793Policy-on-Determination-of-Material-Subsidiaries.pdf>. Accordingly, Motilal Oswal Home Finance Limited ("MOHFL"), Motilal Oswal Asset Management Company Limited ("MOAMC") and Motilal Oswal Finvest Limited ("MOFL") are material subsidiaries of the Company.

INVESTMENT IN SUBSIDIARIES

During the year under review, the Company paid the initial subscription money of ₹ 1,00,00,000/- comprising of 10,00,000 equity shares of ₹ 10/- each towards incorporation of GTIAPL and ₹ 2,40,00,000/- comprising of 24,00,000 equity shares of ₹ 10/- each towards incorporation of Motilal Oswal Finsec IFSC Limited and acquired 1,98,83,877 equity shares of ₹ 10/- each of MOFL, wholly owned subsidiary of the Company.

Further, the Company acquired 1,79,63,624 equity shares of ₹ 1/- each of MOAMC, 13,200 equity shares of ₹ 1/- each of Motilal Oswal Wealth Management Limited ("MOWML") and 1,274 equity shares of ₹ 10/- each of MOPE Investment Advisors Private Limited ("MOPE"), subsidiaries of the Company, from employees of MOAMC/MOWML/MOPE respectively in exchange of allotment of equity shares of the Company on preferential basis i.e. for consideration other than cash, to said employees in accordance with swap arrangement entered by the Company with employees and respective aforesaid subsidiary companies.

PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARIES

As required under Rule 5 and Rule 8(1) of the Companies (Accounts) Rules, 2014, a report on the highlights of performance of subsidiaries, associates and joint venture companies and their contribution to the overall performance of the Company has been appended as "Annexure 2" to the Board's Report. Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of financial statement of subsidiaries in Form AOC-1 is annexed to the Consolidated Financial Statement in the Annual Report. In accordance with provisions of Section 136 of Act, the separate audited financial statement in respect of each of the subsidiary company is also available on the website of your Company at www.motilaloswalgroup.com. These documents will also be available for inspection in electronic mode.

PUBLIC DEPOSITS

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

BOARD OF DIRECTORS

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

Board's Report *(Contd..)*

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

During the year under review, the Board of Directors at its Meeting held on July 31, 2019 appointed Mr. Raamdeo Agarwal as Non-Executive Chairman of the Company w.e.f. October 14, 2019 at the remuneration of ₹ 12 lacs per annum by way of monthly commission of ₹ 1 lac per month, as his term as Joint Managing Director has expired on closure of business hours of October 13, 2019 and he continues as Non-Executive Director of the Company.

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

The resolution for the re-appointment of Mr. Navin Agarwal as detailed in the Notice of AGM would be placed for your approval at the ensuing AGM.

MEETINGS AND COMPOSITION OF BOARD OF DIRECTORS AND COMMITTEE(S)

The details of the Meetings of the Board and Committee(s) of the Company held during FY2019-20 are disclosed in the Report on Corporate Governance forming part of Annual Report of the Company.

The Composition of Board and Committee(s) as on March 31, 2020 are disclosed in the Report on Corporate Governance.

DECLARATION BY INDEPENDENT DIRECTORS

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

DISCLOSURE ON MAINTENANCE OF COST RECORDS

The Company engaged in Stock Broking Activity during the year under review is not required to maintain cost records in accordance with the provisions of the Act.

FAMILIARIZATION PROGRAMMES

The Company has familiarized the Independent Directors with the Company, their roles, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, various businesses in the group etc. The details of the familiarization Programmes are available on the website of the Company at https://www.motilaloswalgroup.com/Downloads/IR/315816220Familiarization-Programmes-for-Independent-Director_2020.pdf

CODE OF CONDUCT

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

KEY MANAGERIAL PERSONNEL

During the year under review, due to the appointment of Mr. Raamdeo Agarwal as Non-Executive Chairman of the Company, he ceases to be the Key Managerial Personnel of the Company w.e.f. October 14, 2019.

As at March 31, 2020, the Company has the following Key Managerial Personnel:

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

Board's Report (Contd.)

COMPANY'S POLICY ON DIRECTOR'S APPOINTMENT AND REMUNERATION

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

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

Appointment criteria and qualifications:

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

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

• Evaluation:

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

Performance Evaluation by	Of Whom
Nomination and Remuneration Committee	Every Director's performance
Board of Directors	– All Directors and Board and Committees as a whole – All Independent Directors excluding the Director being evaluated
Independent Directors	Review the performance of Non Independent Directors and Chairman of the Company

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

• Removal:

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

• Retirement:

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

PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT

• General:

1. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and such other approval, wherever required.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Act and Listing Regulations, and the rules made there under for the time being in force.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person.

4. The remuneration structure will have a right mix of guaranteed (fixed) pay, pay for performance and long term variable pay based on business growth and other factors such as growth in shareholder value to ensure that it is competitive and reasonable
5. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and for Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

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

1. **Fixed pay:**

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

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. **Provision for excess remuneration:**

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

- **Remuneration to Non-Executive/Independent Director:**

1. **Remuneration / Commission:**

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

2. **Sitting Fees:**

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

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

3. **Limit of Remuneration / Commission:**

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

PERFORMANCE EVALUATION

Pursuant to the provisions of section 134(3)(p) and Schedule IV of the Act and in accordance to Regulation 17(10), 25(4) of the Listing Regulations, the Board has carried out the annual performance evaluation of the Board as a whole, various Committees of the Board and of the individual Directors. The performance evaluation of the Independent Directors was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report annexed to this Report.

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

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

Board's Report *(Contd.)*

In a separate meeting of Independent Directors, performance of non-independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of the executive directors and nonexecutive directors. The same was discussed in the Board meeting that followed the meeting of independent directors, at which the performance of the Board, its committee and individual Directors was also discussed.

PARTICULARS OF EMPLOYEES

In accordance with the provisions of Section 197(12) of the Act, the ratio of the remuneration of each Director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the 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 and has been appended as "**Annexure 3**" to the Board's Report.

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

In accordance with the provisions of Section 197 of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the annexure pertaining to the names and other particulars of employees is available for inspection in electronic mode. Any shareholder interested in obtaining a copy of the said Annexure may write to the Company Secretary & Compliance Officer in this regard.

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

REPORT ON CORPORATE GOVERNANCE

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

BUSINESS RESPONSIBILITY REPORT

In terms of Regulation 34(2)(f) of the Listing Regulations, top 1000 listed entities based on their market capitalisation as on March 31, are required to prepare a Business Responsibility Report ("BRR") forming part of the Annual Report.

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

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

STATUTORY AUDITORS

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

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

STATUTORY AUDITORS' REPORT

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

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended from time to time), the Company had appointed M/s. U. Hegde and Associates, Practising Company Secretaries, to undertake the Secretarial Audit of the Company for the FY2019-20.

The Secretarial Audit Report is appended as "**Annexure 4**" to the Board's Report.

Board's Report (Contd.)

Further, the Secretarial Compliance Report for the financial year ended March 31, 2020 was obtained from M/s. U. Hegde and Associates, Practicing Company Secretaries, in relation to compliance of all applicable SEBI Regulations / circulars / guidelines issued thereunder, pursuant to requirement of Regulation 24A of Listing Regulations.

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

Further, pursuant to the provisions of Regulation 24A of Listing Regulations, the Secretarial Audit Report of MOHFL and MOAMC is available at website of the Company at www.motilaloswalgroup.com. However, since MOFL became material subsidiary from April 01, 2020, the secretarial audit report of MOFL will be annexed with Board's Report of FY2020-21.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The initiatives take by the Company for conservation of energy and technology absorption is provided in Business Responsibility Report annexed to this Report.

Details of the foreign exchange earnings and outgo are given in the Note No. 47 to the Financial Statement.

TRANSFER OF SHARES PERTAINING TO UNCLAIMED / UNPAID DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

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

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

Subsequently, the Company has transferred 1,243 equity shares to IEPF on September 16, 2019 and 55 equity shares on November 29, 2019 under review. The details of such shares are available on the website of the Company at <https://www.motilaloswalgroup.com/Investor-Relations/Disclosures/IEPF>. The concerned shareholders are requested to claim the said shares by directly approaching IEPF Authority.

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

Pursuant to Regulation 34 and Schedule V of Listing Regulations, the Company reports the following details in respect of unclaimed equity shares that are kept in Specific Demat Accounts of Motilal Oswal Financial Services Limited.

Particulars	Number of Shareholders	Number of Equity shares
Aggregate Number of Shareholders and the outstanding shares in the suspense account lying as on April 1, 2019	5	575
Number of Shareholders who approached the Company for transfer of shares from suspense account during the year	–	–
Number of Shareholders to whom shares were transferred from the suspense account during the year	–	–
Aggregate Number of Shareholders and the outstanding shares in the suspense account lying as on March 31, 2020	5	575

DEPOSITORY SYSTEM

The Equity Shares of the Company are compulsorily tradable in electronic form. As on March 31, 2020, out of the Company's total paid-up Equity Share Capital comprising of 14,80,66,718 Equity Shares, only 27,060 Equity Shares are in physical form and the remaining shares are in electronic form (demat form). In view of the numerous advantages offered by the Depository System, the Members holding shares in physical form are advised to avail the facility of dematerialization.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- 1) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

Board's Report *(Contd.)*

- 2) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for that period;
- 3) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) the Directors have prepared the annual accounts on a going concern basis;
- 5) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;
- 6) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. The Internal Financial Control procedure adopted by the Company are adequate for safeguarding its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information. During the year under review, the Internal Financial Controls were operating effectively and no material or serious observation has been received from the Auditors of the Company for inefficiency or inadequacy of such controls.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

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

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

The Company has also formulated a CSR Policy which is available on the website of the Company at <https://www.motilaloswalgroup.com/Downloads/IR/148712535002.-CSR-Policy.pdf>. Further, the detailed CSR initiatives undertaken by the Company is available at <https://www.motilaloswal.com/foundation/>

In the wake of COVID-19 pandemic, the Company extended and will continue to extend full support and co-operation in adhering to the directives issued by from the Government and steps taken by the Government to overcome the crisis. In order to further strengthen the efforts, your Company alongwith other group companies has contributed ₹ 5 crores to PM-CARES fund and ₹ 1 crore to Maharashtra Chief Minister's Relief Fund. Additionally, your Company is also supporting local Non-Government Organisations (NGOs) and groups to provide food and other essential services to needy people. Further, your Company supported "Stand with Daily Wage Earners' initiative and raised ₹ 10 lacs through contribution by employees, friends and family.

During the year under review, as a part of the on-going social commitment, your Company supported several educational projects across the country. The Company is delighted with the inauguration of Motilal Oswal- KISS Residential School (Bolangir, Odisha) which will provide free education to 2000 tribal children. Your Company has also joined a collective philanthropic effort of building a world class university at Punjab to offer new age technological education and simultaneously also sponsoring the expansion of hostel facility for Chartered Accountant aspirants in Mumbai. Further, the Company is tirelessly working towards improving the quality of education in the schools of Wada district near Mumbai. We assure you that your Company will continue to work towards

Board's Report *(Contd..)*

its social commitment and contribute in nation building with the same zeal.

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

An Annual Report on activities as required under Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time) has been appended as “Annexure 5” to the Board's Report.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN OR SECURITY PROVIDED BY THE COMPANY

The details of loans, guarantees and investments are given in the Notes to the Financial Statement forming part of Annual Report of the Company.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Board of Directors has approved the policy on transactions with related parties (“RPT Policy”), pursuant to the recommendation of the Audit Committee. In line with the requirements of the Act and Listing Regulations, the Company has formulated the RPT Policy which is also available on the Company's website at

https://www.motilaloswalgroup.com/Downloads/IR/1568199502MOFSL_Policy-on-Materiality-and-Dealing-with-Related-Party-Transactions.pdf

All related party transactions entered into during the FY2019-20 were on an arm's length basis and in the ordinary course of business.

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

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

The Directors draw attention of the Members to Note No. 52 to the Standalone Financial Statement which sets out related party disclosures.

COMPLIANCE WITH SECRETARIAL STANDARD – 1

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

BUSINESS RISK MANAGEMENT

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

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

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

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

POLICY FOR PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

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

During the year under review, the Company has not received any complaint in this regard.

Further, the Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The details of said Committee is covered in the Report on Corporate Governance forming part of Annual Report of the Company.

Board's Report *(Contd.)*

EXTRACT OF ANNUAL RETURN AS REQUIRED AND PRESCRIBED UNDER SECTION 92(3) OF THE ACT AND RULES MADE THEREUNDER

The Section 134(3)(a) of the Act has been amended vide notification of Section 36 of the Companies (Amendment), 2017 with effective from July 31, 2018 by the Ministry of Corporate Affairs ("MCA") which requires company to provide "the web address, if any, where annual return referred to in Section 92(3) has been placed. Further, as the amendment to Section 92(3) of the Act vide provisions of Section 23 of the Companies (Amendment), 2017 is not yet notified by the MCA as on date of this Report, the extract of Annual Return in MGT-9 as required under Section 92(3) of the Act and prescribed in Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as "Annexure 6" to the Board's Report. The Annual Return will be uploaded on the website of the Company at www.motilaloswalgroup.com.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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 under review.

ACKNOWLEDGEMENT

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

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

Raamdeo Agarawal
Chairman
(DIN: 00024533)

Place : Mumbai
Date: May 11, 2020

Annexure 1 to the Board's Report

DIVIDEND DISTRIBUTION POLICY

INTRODUCTION

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

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

Accordingly, in compliance to the provision of aforesaid Regulation, the Board of Directors of the Company has approved the Dividend Distribution Policy.

1. NEED FOR THE POLICY

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

2. SCOPE

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

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

3. POLICY STATEMENT

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

3.2 Circumstances under which the Shareholders of the Company;

3.2.1 May expect dividend

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

3.2.2 May not expect dividend

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

3.3 Financial parameters that shall be considered while declaring dividend:

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

Annexure 1 to the Board's Report (Contd.)

- (iv) Capital expenditure requirement.
- (v) Corporate action related to capital restructuring.
- (vi) General corporate purpose(s), including contingencies.
- (vii) Such other purpose(s) as the Board may think deem fit from time to time.

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

- 3.4.1 Past Dividend History – The dividend paid by the Company in past is major factor considered for payment of dividend
- 3.4.2 Impact of dividend declaration on share price of the Company – The dividend declaration also impact the share price of the Company since it encourages investors to purchase shares of the Company.
- 3.4.3 Sector performance and industry trend – The Company also consider the area of economy in which businesses share the same or a related service i.e. trend followed in the financial services industry
- 3.4.4 Taxation and other regulatory concern – The taxation and other regulatory aspects are also considered
- 3.4.5 Market Risks - The market risk exposure impacting the Company is measured for declaration of dividend
- 3.4.6 Stipulations / Covenants of loan agreements
- 3.4.7 Any other relevant factors that the Board may deem fit to consider before declaring Dividend

3.5 Policy as to how the retained earnings shall be utilized

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

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

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

4 AMENDMENT IN POLICY

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

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

Raamdeo Agarawal
Chairman
(DIN : 00024533)

Place : Mumbai
Date : May 11, 2020

Annexure 2 to the Board's Report

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

₹ In Lakhs

Sr. No	Name of the Subsidiary	Turnover			Profit / (Loss) before Tax			Profit / (Loss) after Tax		
		Current Period	Previous Period	Growth %	Current Period	Previous Period	Growth %	Current Period	Previous Period	Growth %
(A)	INDIAN SUBSIDIARIES									
1	Motilal Oswal Investment Advisors Limited	959	3,515	-73%	(1,375)	794	-273%	(1,183)	524	-326%
2	MOPE Investment Advisors Private Limited	6,672	6,316	6%	2,748	2,279	21%	1,991	1,587	25%
3	Motilal Oswal Commodities Broker Private Limited	15	(83)	118%	(5)	(199)	97%	(4)	(236)	98%
4	Motilal Oswal Fincap Private Limited	68	4	1805%	64	(6)	1183%	64	(6)	1196%
5	Motilal Oswal Finvest Limited	3,410	1,569	117%	(1,066)	155	-789%	(1,045)	210	-598%
6	Motilal Oswal Asset Management Company Limited	48,158	57,808	-17%	13,692	23,332	-41%	10,111	15,267	-34%
7	Motilal Oswal Trustee Company Limited	6	11	-50%	(3)	3	-186%	(4)	2	-265%
8	Motilal Oswal Wealth Management Limited	9,675	11,039	-12%	437	2,159	-80%	260	1,529	-83%
9	Motilal Oswal Securities International Private Limited	147	145	1%	19	20	-5%	0	15	-98%
10	Motilal Oswal Home Finance Corporation Limited	57,644	64,841	-11%	6,092	(21,156)	129%	3,908	(13,688)	129%
11	Motilal Oswal Real Estate Investment Advisors Private Limited	(2)	0	-3130%	(3)	(1)	-317%	(3)	(1)	-304%
12	Motilal Oswal Real Estate Investment Advisors II Private Limited	4,413	3,528	25%	1,621	1,260	29%	1,147	877	31%
13	Motilal Oswal Capital Limited	128	51	150%	35	(26)	232%	24	(20)	222%
14	Motilal Oswal Finsec IFSC Limited	-	-	-	8	-	-	8	-	-
15	Glide Tech Investment Advisory Private Limited	-	-	-	(77)	-	-	(62)	-	-
	COMPANIES INCORPORATED OUTSIDE INDIA									
1	Motilal Oswal Capital Markets (Hong Kong) Private Limited	87	156	-45%	(11)	27	-142%	(11)	27	-142%
2	Motilal Oswal Capital Markets (Singapore) Private Limited	311	270	15%	45	35	29%	43	34	26%
3	Motilal Oswal Asset Management (Mauritius) Private Limited	251	101	150%	(9)	(150)	94%	(9)	(150)	94%
4	Indian Business Excellence Management Company	1,527	1,925	-21%	618	825	-25%	600	806	-26%

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

Raamdeo Agarawal
Chairman
(DIN : 00024533)

Place : Mumbai
Date : May 11, 2020

Annexure 3 to the Board's Report

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

- (i) Ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year 2019-20, the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary during the financial year 2019-20:

Sr. No	Name of Director/KMP	Designation	Ratio of Remuneration of each Director/KMP to median remuneration of Employees	Percentage Increase in Remuneration
1.	Mr. Raamdeo Agarawal ⁽¹⁾	Non-Executive Chairman	NA	–
2.	Mr. Motilal Oswal	Managing Director and Chief Executive Officer	75.19	Nil
3.	Mr. Navin Agarwal ⁽²⁾	Managing Director	257.63	Nil
4.	Mr. Ajay Menon	Whole-time Director	76.80	11.11%
5.	Mr. Vivek Paranjpe	Independent Director	2.35	Nil
6.	Mr. Praveen Tripathi	Independent Director		
7.	Ms. Sharda Agarwal	Independent Director		
8.	Ms. Rekha Shah	Independent Director		
9.	Mr. Shalibhadra Shah	Chief Financial Officer	38.11	10%
10.	Mr. Kailash Purohit	Company Secretary and Compliance Officer	7.01	15%

⁽¹⁾ Mr. Raamdeo Agarawal was holding position of Managing Director till October 13, 2019. Subsequently, ceased to be Managing Director and was appointed as Non-Executive Chairman w.e.f. October 14, 2019. Hence, it is not feasible to calculate the percentage increase in his remuneration.

⁽²⁾ Perquisite value on exercise of Employee Stock Options is excluded.

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

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

The percentage increase of median remuneration of employees in the financial year is 40.65%. The increase is due to change in total count of employees due to resignation and appointments.

- (iii) The Company has 4,178 permanent employees on the rolls of Company as on March 31, 2020.

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

Particulars	% Increase in Remuneration
Employees other than Managerial Personnel	10%
Managerial Personnel	7.22%

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

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

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

Raamdeo Agarawal
Chairman
(DIN : 00024533)

Place : Mumbai
Date : May 11, 2020

Annexure 4 to the Board's Report

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2020 has generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Motilal Oswal Financial Services Limited ("the Company") for the financial year ended on March 31, 2020 according to the provisions of:

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

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

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

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

Annexure 4 to the Board's Report (Contd.)

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Further there were no changes in the composition of the Board of Directors that took place during the period under review.

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

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

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

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

- 1) Issue & Allotment of 11,27,992 equity shares of ₹ 1/- on preferential basis for consideration other than cash after seeking approval of members at the Annual General Meeting held on July 31, 2019 .
- 2) Issue & Allotment of 202,936 equity shares of ₹ 1/- on preferential basis for consideration other than cash after seeking approval of members by way of Postal ballot on September 26, 2019.
- 3) Board approval for Buyback of equity shares vide it's meeting held on March 21, 2020 representing 7.51% and 6.64% of the aggregate of the total paid-up equity share capital and free reserves of the Company based on the audited standalone and consolidated financial statements of the Company as at March 31, 2019 respectively at ₹ 650/- per share.

For **U. HEDGE & ASSOCIATES,**
Company Secretaries
Firm Registration No.: 001076N/N500013

Umashankar K Hegde
(Proprietor)

COP No- 11161 # M.No- A22133
UDIN : A022133B000222234

Place : Mumbai
Date : May 11, 2020

Annexure 5 to the Board's Report

Annual Report on Corporate Social Responsibility ("CSR") [Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014]

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

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

The Company recognizes its responsibilities towards society and strongly intends to contribute towards development of knowledge based economy. Accordingly, the Company intends to carry out initiatives for supporting education. The Company's endeavor is to provide liberal arts education at low cost, providing education to children from different background etc. The CSR Policy has been formulated in accordance with the provisions of Section 135 of the Companies Act, 2013 and is available on the website of the Company at <https://www.motilaloswalgroup.com/Downloads/IR/148712535002.-CSR-Policy.pdf>

2) Composition of CSR Committee:

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

3) Average Net Profit of the Company for the last three financial years is ₹ 2,333,119,044/-

4) Prescribed CSR expenditure and details of CSR spend:

Particulars	Amount (₹)
Prescribed CSR expenditure	46,662,381
Amount spent as CSR	59,545,501
Amount unspent	–

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

(Amount in ₹)

CSR project or activity Identified	Sector in which project is covered	Location of the project/ program	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs. Sub heads- (a) Direct expenditure & (b) Overheads ⁽¹⁾	Cumulative expenditure up to the reporting period	Amount spent - Direct or through implementing Agency
Hostel construction	Promoting Education	Maharashtra	14,225,918	14,225,918	14,725,918	Through Motilal Oswal Foundation ("MOF")
PM CARES Fund	Promoting Preventive Health Care	New Delhi-Delhi	10,000,000	10,000,000	10,000,000	Directly
School Construction project at Odisha	Promoting Education	Odisha	9,000,000	9,000,000	45,137,736	MOF
Construction of School Building	Promoting Education	West Bengal	7,606,000	7,606,000	7,606,000	MOF
Construction of technical institution	Promoting Education	Punjab	4,570,055	4,570,055	4,570,055	MOF
Environmental Sustainability drip irrigation	Environmental Sustainability	Maharashtra	3,822,403	3,822,403	3,822,403	MOF
Empowering Tribals and Rural people to make them socially strong educationally aware and economically vibrant and self-reliant	Promoting Education	Maharashtra	2,500,000	2,500,000	2,600,000	MOF
School development project	Promoting Education	Maharashtra	2,065,911	2,065,911	3,162,411	MOF

Annexure 5 to the Board's Report (Contd.)

(Amount in ₹)

CSR project or activity Identified	Sector in which project is covered	Location of the project/ program	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs. Sub heads- (a) Direct expenditure & (b) Overheads ⁽¹⁾	Cumulative expenditure up to the reporting period	Amount spent - Direct or through implementing Agency
Mid-day meal	Eradicating Hunger	Maharashtra	1,500,000	1,500,000	3,700,000	MOF
Road safety project	Promoting Education	Maharashtra	1,200,000	1,200,000	1,200,000	MOF
English Language lab	Promoting Education	Gujrat	768,435	768,435	768,435	MOF
Flood relief	Eradicating Hunger	Maharashtra	500,000	500,000	1,750,000	MOF
Reach out to the Destitutes who would be facing maximum distress for their daily meals and other requirements	Eradicating Hunger	Maharashtra	500,000	500,000	500,000	MOF
Medical Treatment	Promoting Preventive Health Care	Delhi, Odisha, Maharashtra	350,000	350,000	350,000	MOF
School support program	Promoting Education	Maharashtra	339,000	339,000	1,026,100	MOF
Career Guidance Session to Children	Promoting Education	Maharashtra	226,937	226,937	401,936	MOF
Reading program & Library	Promoting Education	Maharashtra	178,500	178,500	253,500	MOF
Tree Plantation	Environmental Sustainability	Maharashtra	66,000	66,000	133,000	MOF
Footwear for tribal children	Promoting Preventive Health Care	Maharashtra	51,342	51,342	51,342	MOF
Food provision to the needy people	Eradicating Hunger	Maharashtra	50,000	50,000	50,000	MOF
Educational program	Promoting Education	Maharashtra	25,000	25,000	76,000	Directly
Total			59,545,501	59,545,501		

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

6) Responsibility Statement:

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

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

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

Raamdeo Agarawal
Chairman
(DIN: 00024533)

Place : Mumbai
Date : May 11, 2020

Annexure 6 to the Board's Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2020

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

I. Registration and Other Details:

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

II. Principal Business Activity of the Company

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Brokerage Income	6612	62.65%
2	Interest Income	6612	13.62%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No	Name & Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Passionate Investment Management Private Limited (PIMPL) Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U67120MH1995PTC092014	Holding	57.35	2(46)
2.	Motilal Oswal Investment Advisors Limited (MOIAL) Motilal Oswal Tower, 10th Floor, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U67190MH2006PLC160583	Subsidiary	100	2(87)
3.	MOPE Investment Advisors Private Limited (MOPE) Motilal Oswal Tower, 12th Floor, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U67110MH2006PTC161128	Subsidiary	87.16	2(87)
4.	Motilal Oswal Commodities Broker Private Limited (MOCBPL) Motilal Oswal Tower, 6th Floor, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U65990MH1991PTC060928	Subsidiary	100	2(87)
5.	Motilal Oswal Fincap Private Limited (MOFPL) Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U65100MH2007PTC170211	Subsidiary	100	2(87)

Annexure 6 to the Board's Report (Contd.)

Sr. No	Name & Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
6.	Motilal Oswal Finvest Limited (MOFL) Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U65100MH2006PLC165469	Subsidiary	100	2(87)
7.	Motilal Oswal Asset Management Company Limited (MOAMC) Motilal Oswal Tower, 10th Floor, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U67120MH2008PLC188186	Subsidiary	98.64	2(87)
8.	Motilal Oswal Trustee Company Limited (MOTC) Motilal Oswal Tower, 10th Floor, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U93090MH2008PLC188187	Subsidiary	100	2(87)
9.	Motilal Oswal Wealth Management Limited (MOWML) Motilal Oswal Tower, 6th Floor, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U67110MH2002PLC135075	Subsidiary	100	2(87)
10.	Motilal Oswal Securities International Private Limited (MOSIPL) Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U65929MH2011PTC219141	Subsidiary	100	2(87)
11.	Motilal Oswal Capital Markets (Hong Kong) Private Limited (MOCMPL(HK)) 36/F, Tower Two, Times Square, 1, Matheson Street, Causeway Bay, Hong Kong	59035781-000-09-11-0	Subsidiary	100	2(87)
12.	Motilal Oswal Capital Markets (Singapore) Pte. Limited (MOCMPL(SP)) 80 Raffles Place #32- 01 UOB Plaza Singapore (048624).	201129401Z	Subsidiary	100	2(87)
13.	Motilal Oswal Home Finance Limited (MOHFL) Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U65923MH2013PLC248741	Subsidiary	80.43	2(87)
14.	Motilal Oswal Real Estate Investment Advisors Private Limited (MORE) Motilal Oswal Tower, 12th Floor, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U74999MH2013PTC248200	Subsidiary	87.16	2(87)
15.	Motilal Oswal Real Estate Investment Advisors II Private Limited (MORE II) Motilal Oswal Tower, 12th Floor, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U67190MH2014PTC253958	Subsidiary	78.44	2(87)
16.	India Business Excellence Management Company (IBEMC) IFS Court, Bank Street, Twenty Eight Cyber City, Ebene 72201, Mauritius.	65644C1/GBL	Subsidiary	87.16	2(87)
17.	Motilal Oswal Asset Management(Mauritius) Private Limited (MOAMC(M)) 4th Floor, Raffles Tower, 19 Cybercity, Ebene, Mauritius	127396C1/GBL	Subsidiary	98.64	2(87)
18.	Motilal Oswal Capital Limited (MOCL) Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U65100MH2016PLC285990	Subsidiary	98.64	2(87)
19.	Motilal Oswal Finsec IFSC Limited (MOFIL) Unit No. 312, Third Floor, Signature Building, Block 13-B, Zone 1, GIFT SEZ Gandhinagar, GJ 382355	U65929GJ2018PLC102209	Subsidiary	100	2(87)
20.	Glide Tech Investment Advisory Private Limited (GTIAPL) Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.	U65990MH2019PTC333563	Subsidiary	100	2(87)

Annexure 6 to the Board's Report (Contd.)

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

i) Category-wise Share Holding :-

Category of Shareholders	Shareholding at the beginning of the year (As on April 1, 2019)				Shareholding at the end of the year (As on March 31, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A) Shareholding of Promoter and Promoter Group									
[1] Indian									
(a) Individuals/Hindu Undivided Family	2,03,24,142	0	2,03,24,142	13.95	1,64,53,237	0	1,64,53,237	11.11	-2.84
(b) Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c) Financial Institutions/Banks	0	0	0	0.00	0	0	0	0.00	0.00
(d) Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Persons Acting In Concert	17,22,250	0	17,22,250	1.19	19,19,480	0	19,19,480	1.30	0.11
Bodies Corporate	8,03,45,667	0	8,03,45,667	55.15	8,49,23,363	0	8,49,23,363	57.35	2.20
Sub Total (A)(1)	10,23,92,059	0	10,23,92,059	70.29	10,32,96,080	0	10,32,96,080	69.76	-0.53
[2] Foreign									
(a) Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b) Government	0	0	0	0.00	0	0	0	0.00	0.00
(c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d) Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter and Promoter Group(A)=(A) (1)+(A) (2)	10,23,92,059	0	10,23,92,059	70.29	10,32,96,080		10,32,96,080	69.76	-0.53
(B) Public Shareholding									
[1] Institutions									
(a) Mutual Funds/UTI	22,10,117	0	22,10,117	1.52	61,78,972	0	61,78,972	4.17	2.65
(b) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c) Alternate Investment Funds	0	0	0	0.00	2,63,770	0	2,63,770	0.18	0.18
(d) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e) Foreign Portfolio Investor	1,93,91,235	0	1,93,91,235	13.31	1,44,68,264	0	1,44,68,264	9.77	-3.54
(f) Financial Institutions/Banks	41,392	0	41,392	0.02	3,10,949	0	3,10,949	0.21	0.19
(g) Insurance Companies	0	0	0	0.00	1,941	0	1,941	0.00	0.00
(h) Provident Funds/Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Any Other (Specify)	0	0	0	0	0	0	0	0	0
Sub Total (B)(1)	2,16,42,744	0	2,16,42,744	14.85	2,12,23,896	0	2,12,23,896	14.33	-0.52

Annexure 6 to the Board's Report (Contd.)

Category of Shareholders	Shareholding at the beginning of the year (As on April 1, 2019)				Shareholding at the end of the year (As on March 31, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2] Central Government / State Government(s) / President of India	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
[3] Non-Institutions									
(a) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	72,40,173	28,260	72,68,433	4.99	72,57,609	27,060	72,84,669	4.92	-0.07
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	39,87,627	0	39,87,627	2.74	71,05,766	0	71,05,766	4.80	2.06
(b) NBFCs registered with RBI	19,850	0	19,850	0.01	22,694	0	22,694	0.02	0.01
(c) Employee Trusts	0	0	0	0.00	50	0	50	0.00	0.00
(d) Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
IEPF	13,051	0	13,051	0.00	14,349	0	14,349	0.00	0.00
Trusts	1,500	0	1,500	0.00	0	0	0	0.00	0.00
Hindu Undivided Family	2,66,987	0	2,66,987	0.18	2,46,577	0	2,46,577	0.17	-0.01
Non Resident Indians (Non Repat)	1,01,857	0	1,01,857	0.07	89,249	0	89,249	0.06	-0.01
Other Directors	70,04,010	0	70,04,010	4.81	77,68,290	0	77,68,290	5.25	0.44
Non Resident Indians (Repat)	16,18,472	0	16,18,472	1.11	2,65,838	0	2,65,838	0.18	-0.93
Clearing Member	3,38,473	0	3,38,473	0.23	55,200	0	55,200	0.04	-0.19
Bodies Corporate	10,25,295	0	10,25,295	0.70	6,94,060	0	6,94,060	0.47	-0.23
Sub Total (B)(3)	2,16,17,295	28,260	2,16,45,555	14.86	2,35,19,682	27,060	2,35,46,742	15.91	1.05
Total Public Shareholding(B)=(B)(1)+(B)(2)+ (B)(3)	4,32,60,039	28,260	4,32,88,299	29.71	4,47,43,578	27,060	4,47,70,638	30.24	0.53
Total (A)+(B)	14,56,52,098	28,260	14,56,80,358	100.00	14,80,39,658	27,060	14,80,66,718	100.00	0.00
(C) Non Promoter - Non Public									
[1] Custodian / DR Holder	0	0	0	0.00	0	0	0	0	0.00
[2] Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.00	0	0	0	0	0.00
Total (A)+(B)+(C)	14,56,52,098	28,260	14,56,80,358	100.00	14,80,39,658	27,060	14,80,66,718	100.00	0.00

Annexure 6 to the Board's Report (Contd.)

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2019)			Shareholding at the end of the year (As on March 31, 2020)			% change in shareholding during the year
		No. of Shares held	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares held	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Passionate Investment Management Pvt. Ltd - Proprietary Account	8,03,43,667	55.15	0	8,49,21,363	57.35	0	2.2
2	Mr. Motilal Gopilal Oswal	1,01,62,071	6.98	0	85,25,972	5.76	0	-1.22
3	Mr. Raamdeo Ramgopal Agrawal	1,01,62,071	6.98	0	79,27,265	5.35	0	-1.63
4	Raamdeo Ramgopal Agrawal-HUF	6,50,000	0.45	0	6,50,000	0.44	0	-0.01
5	Mrs. Suneeta Raamdeo Agrawal	2,95,400	0.20	0	2,95,400	0.20	0	0
6	Mrs. Vimla Motilal Oswal	1,25,240	0.09	0	1,25,240	0.08	0	-0.01
7	Mr. Karoon Ramgopal Agarawal	1,00,000	0.07	0	1,00,000	0.07	0	0
8	Mrs. Suman Agrawal	1,00,000	0.07	0	1,00,000	0.07	0	0
9	Mr. Vinay Agrawal	1,00,000	0.07	0	1,00,000	0.07	0	0
10	Mr. Vaibhav Agrawal	0	0	0	1,00,000	0.07	0	0.07
11	Mrs. Vedika Karnani (Agrawal)	0	0	0	1,00,000	0.07	0	0.07
12	Mr. Sukhdeo Ramgopal Agarawal	80,200	0.06	0	78,500	0.05	0	-0.01
13	Mrs. Anita Agrawal	80,000	0.06	0	80,000	0.05	0	-0.01
14	Mr. Satish Agrawal	79,020	0.05	0	78,020	0.05	0	0
15	Mr. Govind Deo Agarawal	55,770	0.04	0	55,770	0.04	0	0
16	Mr. Rajendra Gopilal Oswal	55,000	0.04	0	55,000	0.04	0	0
17	Mrs. Vimala Devi	1,500	0.00	0	1,430	0.00	0	0
18	OSAG Enterprises LLP	2,000	0.00	0	2,000	0.00	0	0
19	Motilal Gopilal Oswal-HUF	120	0.00	0	120	0.00	0	0
	Total	10,23,92,059	70.29	0.00	10,32,96,080	69.76	0	-0.53

iii) Change in Promoters' Shareholding

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year April 1, 2019		Transactions during the year		Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020)	
		No. of shares held	% of total shares of the company	Date of transaction*	No. of shares	No of shares held	% of total shares of the company
1	Passionate Investment Management Pvt. Ltd.						
	At the beginning of the year	8,03,43,667	55.02				
	Market Purchase			August 08, 2019	3,06,574	8,06,50,241	55.23
	Market Purchase			August 14, 2019	1,88,784	8,08,39,025	54.94
	Market Purchase			September 20, 2019	75,058	8,09,14,083	54.95
	Inter-se Transfer			October 09, 2019	28,16,632	8,37,30,715	56.86
	Inter-se Transfer			February 04, 2020	8,54,273	8,45,84,988	57.15
	Market Purchase			March 12, 2020	18,487	8,46,03,475	57.14
	Market Purchase			March 13, 2020	4,714	8,46,08,189	57.14
	Market Purchase			March 16, 2020	1,44,799	8,47,52,988	57.24
	Market Purchase			March 17, 2020	1,55,000	8,49,07,988	57.34
	Market Purchase			March 18, 2020	13,375	8,49,21,363	57.35
	At the end of the year					8,49,21,363	57.35

Annexure 6 to the Board's Report (Contd.)

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year April 1, 2019		Transactions during the year		Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020)	
		No. of shares held	% of total shares of the company	Date of transaction*	No. of shares	No of shares held	% of total shares of the company
2	Mr. Motilal Gopilal Oswal						
	At the beginning of the year	1,01,62,071	6.90				
	Inter-se Transfer			October 09, 2019	-14,08,316	87,53,755	5.94
	Inter-se Transfer			February 04, 2020	-2,27,783	85,25,972	5.76
	At the end of the year					85,25,972	5.76
3	Mr. Raamdeo Ramgopal Agrawal						
	At the beginning of the year	1,01,62,071	6.90				
	Inter-se Transfer			October 09, 2019	-14,08,316	87,53,755	5.94
	Transfer (Gift)			November 04, 2019	-100,000	86,53,755	5.87
	Transfer (Gift)			November 04, 2019	-100,000	85,53,755	5.80
	Inter-se Transfer			February 04, 2020	-6,26,490	79,27,265	5.35
	At the end of the year					79,27,265	5.76
4	Mr. Satish Agrawal						
	At the beginning of the year	79,020	0.05				
	Market Sale			May 23, 2019	-1,000	78,020	0.05
	At the end of the year					78,020	0.05
5	Mr. Vaibhav Agrawal						
	At the beginning of the year	0	0				
	Transfer (Gift)			November 04, 2019	100,000	100,000	0.07
	At the end of the year					100,000	0.07
6	Mrs. Vedika Karnani (Agrawal)						
	At the beginning of the year	0	0				
	Transfer (Gift)			November 04, 2019	100,000	100,000	0.07
	At the end of the year					100,000	0.07
7	Mr. Sukhdeo Agarawal						
	At the beginning of the year	80,200	0.06				
	Market Sale			November 21, 2019	-1,700	78,500	0.05
	At the end of the year					78,500	0.05
8	Mrs. Vimala Devi						
	At the beginning of the year	1,500	0.00				
	Market Sale			June 10, 2019	-70	1,430	0.00
	At the end of the year					1,430	0.00

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

Notes:

1. Paid up Share Capital of the Company (Face Value ₹ 1.00/- each) at the end of the year is 14,80,66,718 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

Annexure 6 to the Board's Report (Contd..)

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

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
1	Franklin Templeton Investment Funds						
	At the beginning of the year	41,10,965	2.8219			4110965	2.8219
	Sale			20 Dec 2019	-773483	33,37,482	2.2540
	Sale			27 Dec 2019	-106370	32,31,112	2.1832
	Sale			17 Jan 2020	-12600	32,18,512	2.1747
	Sale			24 Jan 2020	-19595	31,98,917	2.1615
	Sale			07 Feb 2020	-18348	31,80,569	2.1491
	Sale			14 Feb 2020	-2235	31,78,334	2.1475
	Sale			21 Feb 2020	-10500	31,67,834	2.1405
	Sale			28 Feb 2020	-74504	30,93,330	2.0891
	At the end of the year					30,93,330	2.0891
2	ICICI Prudential Banking And Financial Services Fund						
	At the beginning of the year	20	0.0000			20	0.0000
	Purchase			17 May 2019	34	54	0.0000
	Purchase			24 May 2019	17	71	0.0000
	Purchase			05 Jul 2019	17	88	0.0001
	Purchase			26 Jul 2019	17	105	0.0001
	Purchase			16 Aug 2019	17	122	0.0001
	Purchase			23 Aug 2019	18	140	0.0001
	Purchase			30 Aug 2019	17	157	0.0001
	Purchase			27 Sep 2019	38	195	0.0001
	Purchase			30 Sep 2019	17	212	0.0001
	Purchase			04 Oct 2019	17	229	0.0002
	Purchase			11 Oct 2019	17	246	0.0002
	Purchase			18 Oct 2019	2	248	0.0002
	Purchase			25 Oct 2019	17	265	0.0002
	Purchase			22 Nov 2019	17	282	0.0002
	Purchase			29 Nov 2019	32691	32,973	0.0223
	Purchase			06 Dec 2019	54287	87,260	0.0590
	Purchase			13 Dec 2019	49131	1,36,391	0.0922
	Purchase			20 Dec 2019	996510	11,32,901	0.7655
	Purchase			27 Dec 2019	22	11,32,923	0.7655
	Purchase			10 Jan 2020	18	11,32,941	0.7655
	Purchase			31 Jan 2020	336	11,33,277	0.7657
	Purchase			07 Feb 2020	139103	12,72,380	0.8597
	Purchase			14 Feb 2020	1	12,72,381	0.8597
	Purchase			21 Feb 2020	100	12,72,481	0.8598
	Purchase			28 Feb 2020	33635	13,06,116	0.8821
	Purchase			06 Mar 2020	89736	13,95,852	0.9427
	Purchase			13 Mar 2020	192	13,96,044	0.9428
	Purchase			20 Mar 2020	189810	15,85,854	1.0710
	Purchase			27 Mar 2020	152401	17,38,255	1.1740
	Purchase			31 Mar 2020	114076	18,52,331	1.2510
	At the end of the year					18,52,331	1.2510

Annexure 6 to the Board's Report (Contd.)

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
3	Mr. Rajat Rajgarhia						
	At the beginning of the year	17,02,838	1.1689			17,02,838	1.1689
	Purchase (ESOP)			07 Jun 2019	40,000	17,42,838	1.1771
	At the end of the year					17,42,838	1.1771
4	UTI - Hybrid Equity Fund						
	At the beginning of the year	8,22,917	0.5649			8,22,917	0.5649
	Purchase			05 Apr 2019	1,00,000	9,22,917	0.6335
	Sale			31 May 2019	-16,740	9,06,177	0.6212
	Sale			07 Jun 2019	-13,656	8,92,521	0.6118
	Sale			14 Jun 2019	-27,087	8,65,434	0.5933
	Purchase			02 Aug 2019	7,543	8,72,977	0.5979
	Purchase			09 Aug 2019	52,770	9,25,747	0.6340
	Purchase			16 Aug 2019	11,294	9,37,041	0.6417
	Purchase			23 Aug 2019	3,018	9,40,059	0.6438
	Purchase			30 Aug 2019	17,271	9,57,330	0.6556
	Purchase			20 Sep 2019	38,551	9,95,881	0.6763
	Purchase			27 Sep 2019	31,057	10,26,938	0.6974
	Purchase			04 Oct 2019	762	10,27,700	0.6979
	Purchase			11 Oct 2019	9,999	10,37,699	0.7047
	Purchase			18 Oct 2019	5,000	10,42,699	0.7081
	Purchase			01 Nov 2019	1,22,934	11,65,633	0.7916
	Purchase			06 Dec 2019	18,574	11,84,207	0.8004
	Purchase			13 Dec 2019	11,138	11,95,345	0.8079
	Sale			20 Dec 2019	-100,000	10,95,345	0.7401
	Purchase			10 Jan 2020	2,32,092	13,27,437	0.8969
	Purchase			31 Jan 2020	51,260	13,78,697	0.9316
	Purchase			07 Feb 2020	93,339	14,72,036	0.9946
	Purchase			14 Feb 2020	5,422	14,77,458	0.9983
	Purchase			21 Feb 2020	24,377	15,01,835	1.0148
	Purchase			28 Feb 2020	11,343	15,13,178	1.0220
	Purchase			06 Mar 2020	41,468	15,54,646	1.0500
	Purchase			13 Mar 2020	26,451	15,81,097	1.0678
	Sale			20 Mar 2020	-6,122	15,74,975	1.0637
	Purchase			27 Mar 2020	5,502	15,80,477	1.0674
	At the end of the year					15,80,477	1.0674
5	Reliance Capital Trustee Co Ltd - A/C Nippon India Banking Fund						
	At the beginning of the year	3613	0.0025			3,613	0.0025
	Purchase			05 Apr 2019	291	3,904	0.0027
	Purchase			12 Apr 2019	648	4,552	0.0031
	Purchase			19 Apr 2019	252	4,804	0.0033
	Purchase			26 Apr 2019	72	4,876	0.0033
	Purchase			03 May 2019	74	4,950	0.0034
	Sale			10 May 2019	-785	3,165	0.0022
	Purchase			17 May 2019	180	3,345	0.0023

Annexure 6 to the Board's Report (Contd.)

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
	Purchase			24 May 2019	85	3,430	0.0024
	Purchase			31 May 2019	999	4,429	0.0030
	Purchase			07 Jun 2019	216	4,645	0.0032
	Sale			14 Jun 2019	-45	4,600	0.0032
	Purchase			21 Jun 2019	99	4,699	0.0032
	Purchase			29 Jun 2019	33	4,732	0.0032
	Purchase			05 Jul 2019	270	5,002	0.0034
	Purchase			12 Jul 2019	117	5,119	0.0035
	Purchase			19 Jul 2019	247	5,366	0.0037
	Purchase			26 Jul 2019	108	5,474	0.0037
	Purchase			02 Aug 2019	7	5,481	0.0038
	Purchase			09 Aug 2019	234	5,715	0.0039
	Purchase			16 Aug 2019	45	5,760	0.0039
	Purchase			23 Aug 2019	54	5,814	0.0040
	Purchase			30 Aug 2019	129	5,943	0.0041
	Purchase			06 Sep 2019	27	5,970	0.0041
	Purchase			13 Sep 2019	63	6,033	0.0041
	Purchase			20 Sep 2019	63	6,096	0.0041
	Purchase			27 Sep 2019	1,936	8,032	0.0055
	Purchase			04 Oct 2019	36	8,068	0.0055
	Purchase			11 Oct 2019	216	8,284	0.0056
	Purchase			18 Oct 2019	54	8,338	0.0057
	Purchase			01 Nov 2019	5,00,081	5,08,419	0.3453
	Purchase			08 Nov 2019	8,00,568	13,08,987	0.8889
	Sale			15 Nov 2019	-123	13,08,864	0.8888
	Sale			22 Nov 2019	-96	13,08,768	0.8846
	Sale			29 Nov 2019	-2,262	13,06,506	0.8831
	Purchase			06 Dec 2019	4,143	13,10,649	0.8859
	Purchase			13 Dec 2019	60	13,10,709	0.8859
	Purchase			20 Dec 2019	4	13,10,713	0.8856
	Purchase			27 Dec 2019	174	13,10,887	0.8857
	Purchase			31 Dec 2019	8	13,10,895	0.8858
	Purchase			03 Jan 2020	240	13,11,135	0.8859
	Purchase			10 Jan 2020	51	13,11,186	0.8859
	Purchase			17 Jan 2020	408	13,11,594	0.8862
	Sale			24 Jan 2020	-10,674	13,00,920	0.8790
	Sale			31 Jan 2020	-264	13,00,656	0.8788
	Purchase			07 Feb 2020	424	13,01,080	0.8791
	Purchase			14 Feb 2020	84	13,01,164	0.8792
	Sale			21 Feb 2020	-368	13,00,796	0.8789
	Purchase			28 Feb 2020	10,912	13,11,708	0.8859
	Sale			06 Mar 2020	-1,201	13,10,507	0.8851
	Purchase			13 Mar 2020	1,360	13,11,867	0.8860
	Sale			20 Mar 2020	-733	13,11,134	0.8855
	Purchase			27 Mar 2020	32,844	13,43,978	0.9077
	Purchase			31 Mar 2020	424	13,44,402	0.9080
	At the end of the year					13,44,402	0.9080

Annexure 6 to the Board's Report (Contd.)

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
6	J P Morgan Funds						
	At the beginning of the year	12,87,890	0.8841			12,87,890	0.8841
	Sale			12 Apr 2019	-3290	12,84,600	0.8818
	Purchase			19 Apr 2019	21742	13,06,342	0.8967
	Purchase			26 Apr 2019	5872	13,12,214	0.9007
	Sale			03 May 2019	-20309	12,91,905	0.8868
	Sale			10 May 2019	-1618	12,90,287	0.8857
	Purchase			17 May 2019	25759	13,16,046	0.9034
	Transfer			24 May 2019	-27755	12,88,291	0.8843
	Purchase			31 May 2019	16985	13,05,276	0.8948
	Purchase			07 Jun 2019	10704	13,15,980	0.9021
	Sale			14 Jun 2019	-22690	12,93,290	0.8865
	Sale			21 Jun 2019	-14025	12,79,265	0.8761
	Sale			20 Mar 2020	-13943	12,65,322	0.8546
	Sale			27 Mar 2020	-15514	12,49,808	0.8441
	At the end of the year					12,49,808	0.8441
7	JP Morgan Indian Investment Company (Mauritius) Limited						
	At the beginning of the year	12,14,034	0.8334			12,14,034	0.8334
	At the end of the year					12,14,034	0.8199
8	Mr. Vinodkumar Harakchand Daga						
	At the beginning of the year	0	0.0000			0	0.0000
	Purchase			06 Dec 2019	38,009	38,009	0.0257
	Purchase			20 Dec 2019	23,419	61,428	0.0415
	Purchase			03 Jan 2020	15,000	76,428	0.0516
	Purchase			10 Jan 2020	1,00,000	1,76,428	0.1192
	Purchase			17 Jan 2020	2,00,000	3,76,428	0.2543
	Purchase			14 Feb 2020	4,73,000	8,49,428	0.5739
	Purchase			28 Feb 2020	2,31,917	10,81,345	0.7303
	Sale			13 Mar 2020	-27,700	10,53,645	0.7116
	At the end of the year					10,53,645	0.7116
9	TIMF Holdings						
	At the beginning of the year	10,41,596	0.7150			10,41,596	0.7150
	At the end of the year					10,41,596	0.7035
10	Kuwait Investment Authority Fund 226						
	At the beginning of the year	1148829	0.7886			11,48,829	0.7886
	Sale			24 Jan 2020	-14,000	11,34,829	0.7668
	Sale			07 Feb 2020	-43,000	10,91,829	0.7377
	Sale			14 Feb 2020	-6,000	10,85,829	0.7337
	Sale			21 Feb 2020	-24,500	10,61,329	0.7171

Annexure 6 to the Board's Report (Contd.)

Sr. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of The Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
	Sale			28 Feb 2020	-150,767	9,10,562	0.6150
	At the end of the year					9,10,562	0.6150
11	Franklin Asian Equity Fund						
	At the beginning of the year	13,39,921	0.9198			13,39,921	0.9198
	Sale			08 Nov 2019	-131,091	12,08,830	0.8209
	Sale			15 Nov 2019	-192,084	10,16,746	0.6905
	Sale			22 Nov 2019	-622,278	3,94,468	0.2666
	Sale			29 Nov 2019	-4,547	3,89,921	0.2636
	Sale			06 Dec 2019	-350,565	39,356	0.0266
	Sale			13 Dec 2019	-23,736	15,620	0.0106
	At the end of the year					15,620	0.0105

* The Top Ten Shareholders as on April 1, 2019 and March 31, 2020 are been considered for the above disclosure

** Date of Purchase/Sale 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 (KMP)

Sr. No.	Name of the Director/KMP	Shareholding at the beginning of the year (As on April 1, 2019)		Transactions during the year		Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020)	
		No. of shares	% of total shares of the Company	Date of transaction*	No. of shares	No. of shares	% of total shares of the Company
1.	Mr. Raamdeo Agarawal (Non-Executive Chairman)						
	At the beginning of the year	1,01,62,071	6.90				
	Inter-se Transfer			October 09, 2019	-14,08,316	87,53,755	5.94
	Transfer (Gift)			November 04, 2019	-1,00,000	86,53,755	5.87
	Transfer (Gift)			November 04, 2019	-1,00,000	85,53,755	5.80
	Inter-se Transfer			February 04, 2020	-6,26,490	79,27,265	5.35
	At the end of the year					79,27,265	5.35
2.	Mr. Motilal Oswal (Managing Director & Chief Executive Officer)						
	At the beginning of the year	1,01,62,071	6.90				
	Inter-se Transfer			October 09, 2019	-14,08,316	87,53,755	5.94
	Inter-se Transfer			February 04, 2020	-2,27,783	85,25,972	5.76
	At the end of the year	-	-			85,25,972	5.76
3.	Mr. Navin Agarawal (Managing Director)						
	At the beginning of the year	70,04,010	4.80				
	Purchase (ESOP)			November 19, 2019	364,000	1,10,62,071	6.98
	At the end of the year	-	-			73,68,010	4.98
4.	Mr. Ajay Menon (Whole-Time Director)						
	At the beginning of the year	4,00,000	0.27				
	At the end of the year					4,00,000	0.27

Annexure 6 to the Board's Report (Contd.)

Sr. No.	Name of the Director/KMP	Shareholding at the beginning of the year (As on April 1, 2019)		Transactions during the year		Cumulative Shareholding during the year (April 1, 2019 to March 31, 2020)	
		No. of shares	% of total shares of the Company	Date of transaction*	No. of shares	No. of shares	% of total shares of the Company
5	Mr. Vivek Paranjpe (Independent Director)						
	At the beginning of the year	-	-			-	-
	At the end of the year	-	-			-	-
6	Mr. Praveen Tripathi (Independent Director)						
	At the beginning of the year	-	-			-	-
	At the end of the year	-	-			-	-
7	Mrs. Sharda Agarwal (Independent Director)						
	At the beginning of the year	-	-			-	-
	At the end of the year	-	-			-	-
8	Mrs. Rekha Shah (Independent Director)						
	At the beginning of the year	280	0.00				
	At the end of the year					280	0.00
9	Mr. Shalibhadra Shah (Chief Financial Officer)						
	At the beginning of the year	23,001	0.01			-	-
	At the end of the year	-	-			23,001	0.01
10	Mr. Kailash Purohit (Company Secretary)						
	At the beginning of the year	-	-			-	-
	At the end of the year	-	-			-	-

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

V. Indebtedness

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

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	122,180	19,771	-	141,952
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1,044	-	1,044
Total (i+ii+iii)	122,180	20,815	-	142,995
Change in Indebtedness during the financial year				
Additions	10,000	100,985		110,985
Reduction	89,247	20,815		110,062
Net Change	-79,247	80,170	-	923
Indebtedness at the end of the financial year				
i) Principal Amount	42,933	100,039	-	142,972
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	946	-	946
Total (i+ii+iii)	42,933	100,985	-	143,918

Annexure 6 to the Board's Report (Contd..)

VI. Remuneration of Directors and Key Managerial Personnel

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of the MD / WTD / Manager				Total Amount
		Mr. Raamdeo Agarawal ⁽¹⁾	Mr. Motilal Oswal	Mr. Navin Agarwal	Mr. Ajay Menon	
1	Gross salary					
	(a) Salary including Variables as per provisions contained in Section 17(1) of the Income Tax, 1961	14,838,710	24,040,000	82,320,100	24,514,409	145,713,219
	(b) Value of perquisites under Section 17(2) of the Income tax Act, 1961	1,968,175	0	⁽²⁾ 95,479,300	39,600	97,487,075
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	–	–	–	–	–
2	Stock option (Number of options)	–	–	–	–	–
3	Sweat Equity	–	–	–	–	–
4	Commission	–	–	–	–	–
	– as % of profit	–	–	–	–	–
	– others (specify)	–	–	–	–	–
5	Others, please specify	–	–	–	–	–
	Total (A)	16,806,885	24,040,000	177,799,400	24,554,009	243,200,294
	Ceiling as per the Act	Within the overall limits of 10% of the Net Profit of the Company				

⁽¹⁾ Remuneration details is till October 13, 2019

⁽²⁾ Include Perquisite value of ₹ 95,431,700 on exercise of Employee Stock Options

A. Remuneration to other Directors:

(Amount in ₹)

Particulars of Remuneration	Independent Directors				Non-Executive Director	Total Amount
	Mr. Vivek Paranjpe	Mr. Praveen Tripathi	Mrs. Sharda Agarwal	Mrs. Rekha Shah	Mr. Raamdeo Agarawal ⁽¹⁾	
(a) Fee for attending board and Committee meetings	1,80,000	2,40,000	1,50,000	1,80,000	–	7,50,000
(b) Commission	7,50,000	7,50,000	7,50,000	7,50,000	6,00,000	36,00,000
(c) Others, please specify	–	–	–	–	–	–
Total (B)	9,30,000	9,90,000	9,00,000	9,30,000	6,00,000	43,50,000
Total Managerial Remuneration = (A) + (B)						
Overall Ceiling as per the Act.	Within the overall limits of 1% of the Net Profit of the Company					

⁽¹⁾ Appointed as Non-Executive Chairman w.e.f. October 14, 2019

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

(Amount in ₹)

Sr. No.	Gross Salary	Mr. Motilal Oswal (CEO)	Mr. Shalibhadra Shah (CFO)	Mr. Kailash Purohit (CS)	Total Amount
1	(a) Salary including Variables as per provisions contained in Section 17(1) of the Income Tax, 1961	–	12,097,604	2,241,003	14,338,607
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	–	32,400	–	32,400
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	–	–	–	–

Annexure 6 to the Board's Report (Contd.)

Sr. No.	Gross Salary	Mr. Motilal Oswal (CEO)	Mr. Shalibhadra Shah (CFO)	Mr. Kailash Purohit (CS)	Total Amount
2	Stock Option (Number of options)	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	12,130,004	2,241,003	14,371,007

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

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

Raamdeo Agarawal
Chairman
(DIN: 00024533)

Place : Mumbai
Date : May 11, 2020

Management Discussion and Analysis

FY2020 was a challenging year for Indian market. NDA secured second term in the general elections and announced several economic measures to revive domestic economic growth that has slumped to lowest in decade led by weak auto sales, muted growth in personal and consumer loans and sluggish rural demand. The year saw various domestic events like default of a major housing finance company, removal of Article 370 of the Constitution of India, revival of a major private bank, merger of public sector banks etc. On global front the major events that made headlines include escalation in US China trade tensions and subsequently agreement on phase I of trade deal, sharp rate cuts by US Fed and European Central Bank (ECB) bringing it back to all-time lows, completion of BREXIT, fall in oil prices etc. However, the single biggest event of the year, which happened in last quarter, was origination and spread of corona virus pandemic. The virus that originated in China rapidly covered all major countries, especially in the month of March, 2020. Many economies implemented shutdown – partial or full and consequently economic activity was severely disrupted globally. This also resulted in a fall in most asset classes including equities, commodities and currencies. In India, to check the spread of the virus, government announced lockdown for 21 days till April 14 and later on extended it to May 31. Government first announced an economic stimulus package worth ₹ 1.7 trillion to help millions of low income cope with lockdown and a second package of ₹ 20 lakh crore later on to revive the country's economy. A host of measures were taken by RBI to help liquidity conditions in the economy which included Repo rate cut by 115 bps to 4%, moratorium of three months of EMIs on all outstanding loans which was later on extended by another three months till August end, auction of targeted long term repo operations worth ₹ 1 crore etc.

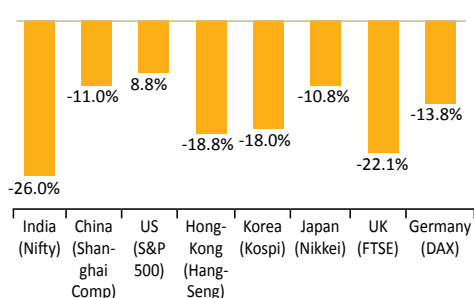
Although, International Monetary Fund slashed its FY2021 growth projection for India to 1.9% from 5.8% projected in January, India stands to benefit in this uncertain environment. Disruption in global supply chain has highlighted risk of overdependence on a single country. Many global MNCs are likely to consider diversifying their manufacturing operations from China and India could be a likely beneficiary given the low corporate tax rate, skilled population, relatively low wages and a large domestic market. Thus, once the situation stabilizes, India could see relatively stronger recovery.

Equity Markets-

Market had a roller coaster ride in FY2020. Both Sensex and Nifty closed at an all-time high of 42,273 and 12,430 respectively in the month of January. Then came corona virus and as the pandemic rampaged across the world, Sensex and Nifty ended the year with large negative returns. With India in midst of a complete lockdown, Sensex and Nifty closed at 29,469 and 8,598 levels respectively in March, 2020.

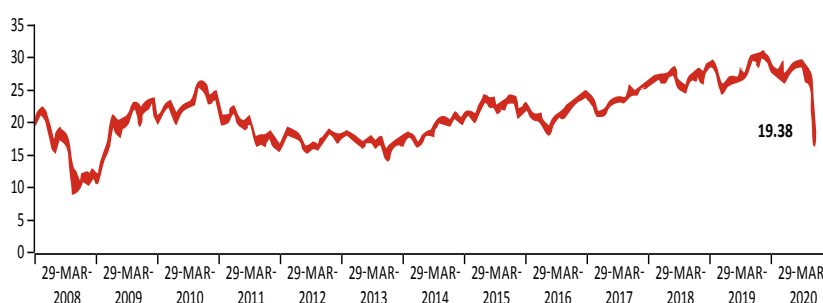
FII's sold massively during the month of March, 2020 with net equity outflows of ₹ 620 billion but still ended FY2020 with net inflows of ₹ 65 billion. The size of outflow in March, 2020 was highest ever in one month and was around 0.4% of Indian market capitalization. DII's also witnessed net inflows of ₹ 1293 billion which was 79% higher than the previous year.

Benchmark Indices Performance in FY2020



Source: Bloomberg

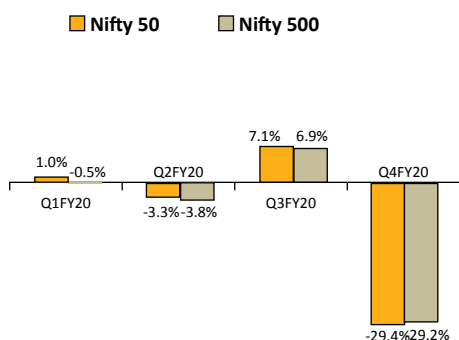
Historical P/E (x) Ratios of Nifty 50



Source: NSE

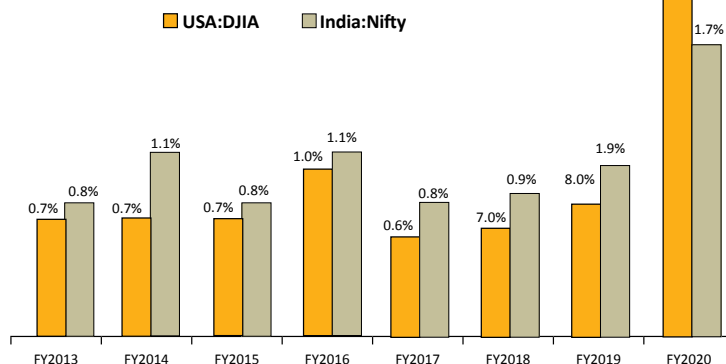
Management Discussion and Analysis (Contd.)

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



Source: NSE

Volatility (Standard Deviation) of benchmark indices



Source: Bloomberg

Business Streams and Outlook:

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

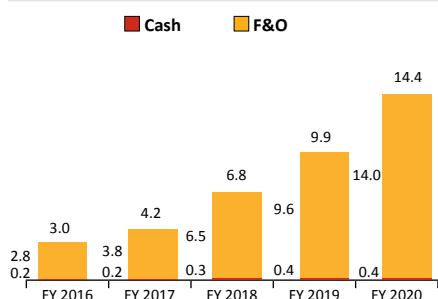
Ratings: During the year, CRISIL Limited reaffirmed the Credit Rating of "CRISIL A1+" the Commercial Paper Programme of ₹ 1,300 crores of the Company. CRISIL Limited assigned the Credit Rating of "CRISIL A1+" to the Commercial Paper Programme of ₹ 2,500 crores and reaffirmed "CRISIL A1+" to the Commercial Paper Programme of ₹ 500 crores of Motilal Oswal Finvest Limited, a subsidiary of the Company. ICRA Limited reaffirmed the credit rating of "[ICRA] AA(Stable)" rating with a stable outlook to the NCD Programme of ₹ 350 crores of the company. India Ratings and Research reaffirmed rating of "IND A1+" to Commercial Paper Programme of ₹ 1,300 crores of Motilal Oswal Financial Services Limited. India rating also reaffirmed rating of "IND A1+" to Commercial Paper Programme of ₹ 1,000 crores and assigned a new rating of "IND A1+" to Commercial Paper Programme of ₹ 2,000 crores of Motilal Oswal Finvest Limited, a subsidiary of the Company. The ratings indicate a strong degree of safety regarding timely servicing of financial obligations.

Broking Business

Industry Facts

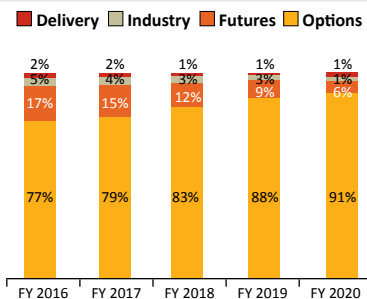
The average daily traded volumes (ADTO) for the equity markets during FY2020 stood at ₹ 14.44 lakh crores, up 45% YoY from ₹ 9.93 lakh crores in FY2019. The overall Cash market ADTO reported growth of 11% YoY at ₹ 39,068 crores in FY2020. Delivery saw growth of 3% YoY to ₹ 9,140 crores v/s 8% de-growth in FY2018-19. Within derivatives, future volumes increased 0.4% YoY to ₹ 87,950 crores while options rose 51% to ₹ 13.17 lakh crores. Amongst cash market participants, retail constitutes 52% of total cash volume, institution constitutes 25% of total cash volume and prop constitutes 23%. The proportion of DII in the cash market was 10.1%. The increase in demat accounts during the year stood at 13% with total number of accounts as on March, 2020 at 4.08 crores. The revival in market sentiments is expected to give push to the primary market activities and overall volumes.

Average Daily Volumes (₹ Lakh Crores)



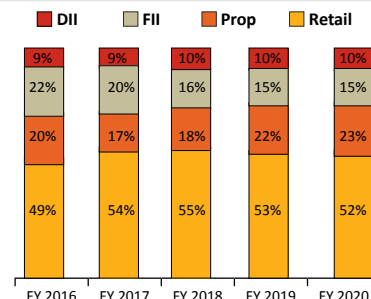
Source: NSE,BSE

Segment-wise Overall ADTO Proportions (%)



Source: BSE, NSE

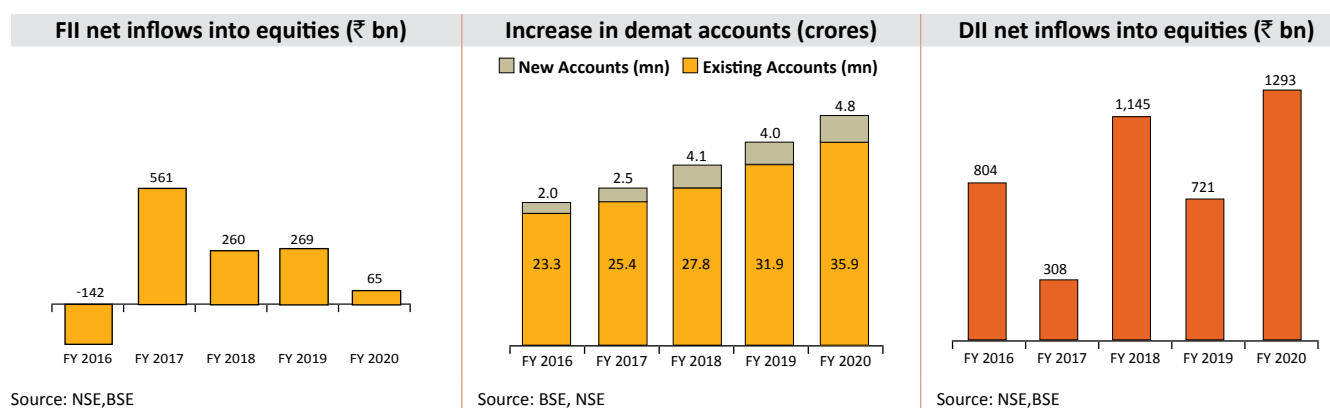
Cash Market mix (%)



Source: NSE,BSE

Management Discussion and Analysis (Contd.)

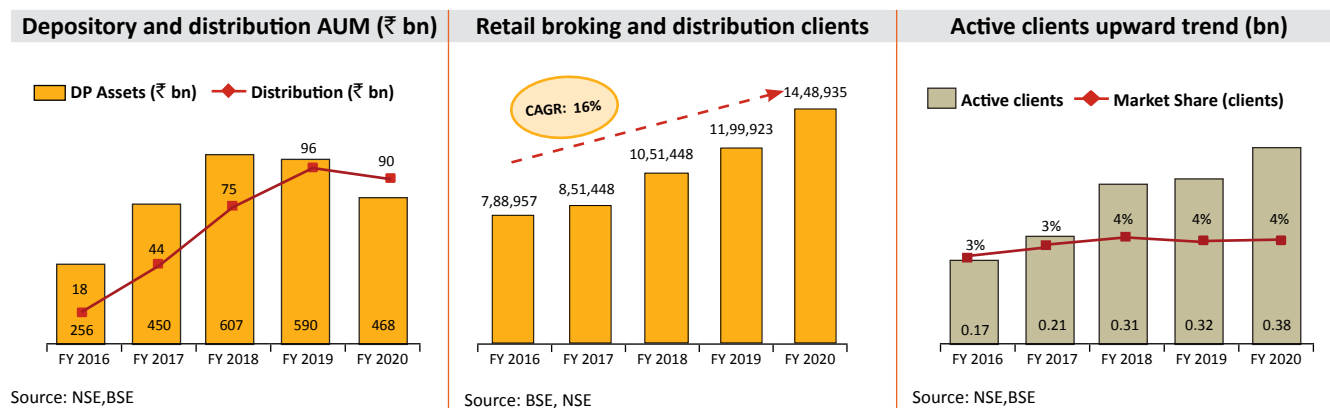
Even though Indian equities witnessed continued net inflows from FIIs for most of the part of the financial year, with November recording the highest since March 2019, still the total net inflows for FY2020 saw a major decline from the previous year. This was mainly due to the highest ever sell-off by FIIs in the month of March, led by coronavirus-induced jitters. Contrary to that, net inflows from DIIs in March was highest ever recorded. Despite volatilities and uncertainties, Indian households are seen to hold the interest in equity and equity products with expectations of higher returns than traditional fixed income products.



Our Broking Business

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

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



Motilal Oswal Financial Services was successful in expanding its retail client base despite market headwinds during the year. The company had more than 14,48,935 retail broking and distribution clients growing at a CAGR of 16% from FY2016-20. Client acquisition stood at ~2,42,000 during the year, +72% YoY. Reflecting on the experiences and learnings in broking business, we adopted franchisee based model few years ago. This model has yielded dividends across cycles, particularly in down-cycles. We have started with Insurance broking business this year and registered strong premium collection in first year of business, envisaging future business potential. We have tie-ups with HDFC Life, ICICI Pru Life and Bajaj Life for life insurance products. Our business focus remained to improve our scale and competitiveness through enhanced customer experience, high-quality advisory, digital initiatives, assets-based product distribution, system-driven trading products and network expansion. We have robust dedicated advisory desks for mass-retail and affluent clientele. Our focus on knowledge, advisory, and client segmentation differentiates us from the threats of discount brokers.

We are progressively developing our distribution arm to achieve linearity in the cyclical nature of broking business. The distribution revenues contribute 15%/9.3% of the gross/net total income respectively with continual traction in distribution business. Our financial product distribution AUM was ₹ 9,034 crores as of Mar 2020, with net sales of ₹ 924 crores in FY2020. Our leverage on our strong retail network to cross sell financial products provides room for scaling up the business. In addition, our client penetration at 16% of our total retail client base paves the way for growth scalability.

Management Discussion and Analysis (Contd..)

We have made several investments in our digital initiatives to improve client servicing, cost and speed. Our app portfolio includes MO Investor and MO Trader, designed to match different consumer needs and experience. Our online volumes contribute ~57% of the total retail volumes traded in March, 2020.

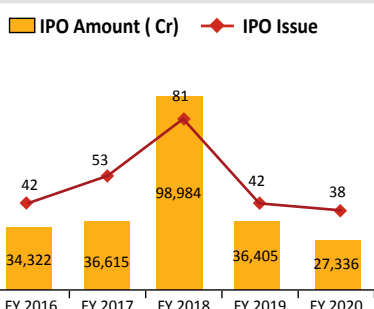
Institutional Broking: Our institutional broking provide offerings in the forms of cash and derivatives to domestic and foreign institutions. We continued to acquire new empanelment and maintained it with +700 institutions. We witnessed improvement in rank in several key accounts led by broad-based team servicing. We stood #1 in Overall Sales, Sales Trading & Corporate Access and #2 in Best Local Brokerage awards category at Asia Money Brokers Poll 2019. We continued to strengthen our competitive positioning through research offerings, corporate access outreach and sales and trading capabilities. Our research product portfolio in FY2020 consisted of 250+ companies covering 21 sectors. Our corporate access domain has always been a focus area with execution of successful events like Annual Global Investor Conference (AGIC) and many unique events in India. We continued our successful trend in conducting 'AGIC' in Aug 2019 and India Financials Day in Dec 2019. We also launched our 1st edition of Virtual Conference amid lockdown period. Also, we engaged with several sectoral experts for domestic events.

Investment Banking

Industry Facts

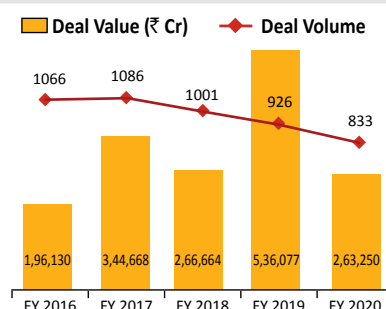
The year witnessed a lull period for IPO/ECM deals owing to the lack of confidence in the emerging markets. The financial year saw 38 IPOs as compared to 42 in FY2019. The amount of funds raised through IPOs in FY2020 was ₹ 27,336 crores vs ₹ 36,405 crores in FY2019. Some of the successful IPOs in FY2020 were IRCTC, CSB Bank, Polycab India, Metropolis Healthcare, Spandana Sphoorthy etc. The number of QIPs remained at stagnant at 13 in FY2020. The amount of funds raised through QIPs in FY2020 was ₹ 51,216 crores, vs ₹ 10,489 crores in the previous year.

Fund Raising - IPO Markets (₹ cr)



Source: VC Circle, Internal Data

M&A Deals (₹ cr)



Source: VC Circle, Internal Data

Our Investment Banking Business

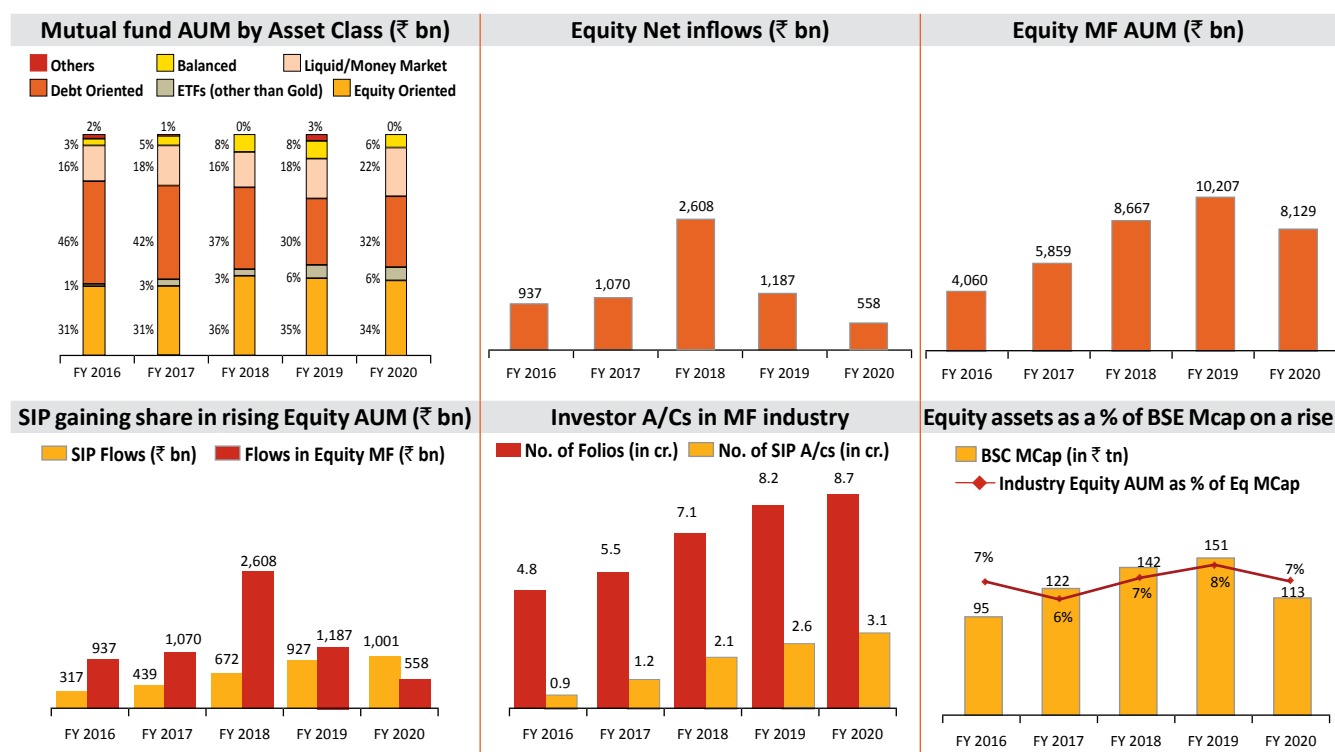
FY2020 has been a year under pressure, the primary reason being volatile market sentiments which led many companies to put their capital raising plans on hold. We follow an expertise-led approach focusing on specific sub-segments of strength, where we have relationships and track record. Sectoral focus on BFSI, Auto, Consumer, Healthcare and Industrials will yield benefits in the medium to long term. We continue to have rich pipeline, and are constantly engaging on a wide cross-section of mandated transactions across capital markets and advisory. As the markets recover, we expect a number of these transactions to conclude successfully.

Asset Management

Industry Facts

Overall mutual fund industry AUM was ₹ 22.26 lakh crores in FY2020. On the front of equity mutual fund (excluding arbitrage and including balanced and ELSS), AUM stood at ₹ 8.13 lakh crores contributing 37% of the total AUM. Despite higher gross flows, the net inflows stood lower at ₹ 0.6 lakh crore vs ₹ 1.2 lakh crores in FY2019. The total flows to equity funds were impacted due to higher redemptions with net outflows in Q4FY2020. The highlight of FY2020 includes rising SIP accounts and flows. The total SIP accounts stood at 3.1 crores while the SIP contribution increased 8% from ₹ 92,693 crores in FY2019 to ₹ 1,00,084 crores in FY2020. During the year, the asset management companies were exposed to various regulatory changes like slab wise TER on AUM (from April 1, 2019), increase in ticket size in PMS from ₹ 25 lakhs to ₹ 50 lakhs, ban on set-up fees and upfront commission in PMS, Direct PMS scheme option. The rationale behind the regulatory change is to act in favour on investors which bodes well for the industry in the long term.

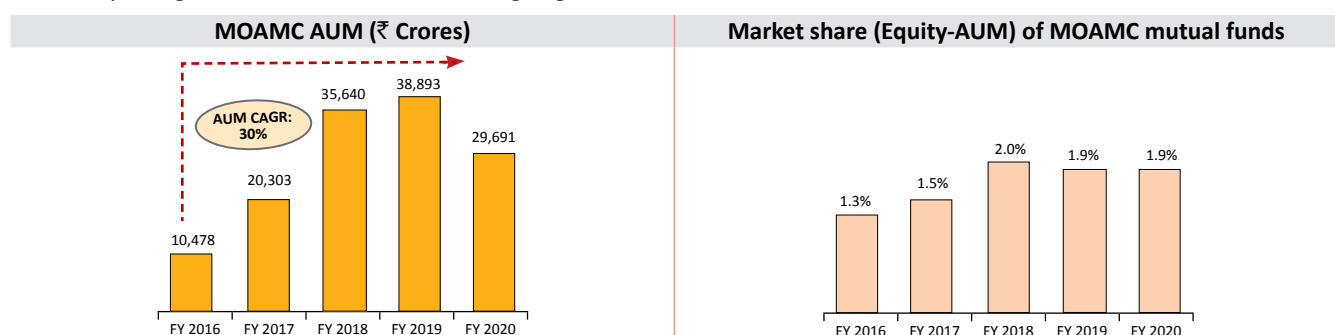
Management Discussion and Analysis (Contd.)



Source: AMFI

Our Asset Management Business

Motilal Oswal Asset Management (MOAMC) operates PMS, AIF and Mutual Fund (MF) in the public equities space. MOAMC has crafted its niche with majority of AUM in equities. Our public market AUM was ₹ 29,691 crores as of March, 2020 after achieving its peak in January 2020 at ₹ 41,100 crores. As of March, 2020, our Mutual Fund AUM stood at ₹ 15,980 crores, PMS AUM was at ₹ 11,628 crores and AIF AUM was at ₹ 1,891 crores. The effect of industry wide impact on net sales was also seen in our AMC's net sales which stood at ₹ 38 crores in FY2020. We firmly believe in our QGLP philosophy which has rewarded us over the years in terms of performance and will continue to hold and improvise it. Our AMC business has always been the promoter of trail based model and hence, the ban on upfront fee structure has been in our favour. Slab wise TER on AUM has triggered higher redemption in 1st quarter of the year resulting in negative net flows for the quarter. However, improvement in performance of most the schemes and effort of right communication to customers resulted in positive net flows for the remaining quarters of FY2020. The impact of TER change has been shared with distributors in same proportion of commission sharing, so net impact to us is lower. On a blended basis, our net yields stand at 0.84% in FY2020. As of Mar 2020, ~19% of our non-MF AUM was performance-fee-linked, within which AIF was entirely performance-based. We aim to push more performance-linked AUM in both PMS and AIF, as it should help push net yields. Our rank in Equity AUM was 15 whereas we continued to remain market leader in PMS industry. Our ~1.9% market share in Equity MF AUM is expected to improve as we scale up further. We have significantly invested in branding and advertising in past few years and the same has started realizing benefits in terms of brand-recall in the long term. While our business has built a strong positioning across the domestic institution segment, it is now in process of tapping global pools of capital with offshore initiatives. We are expecting traction in our offshore assets, going forward.

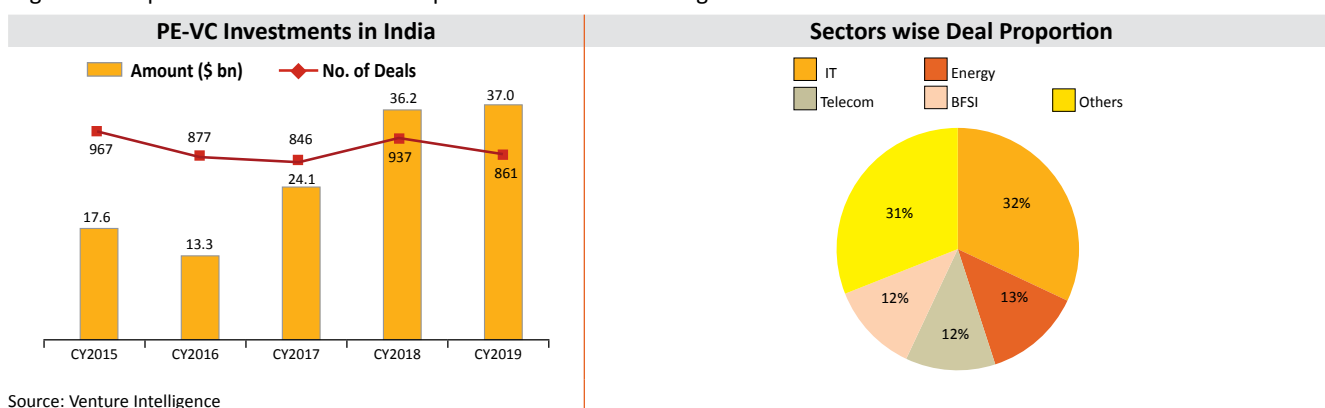


Management Discussion and Analysis (Contd..)

Private Equity

Industry Facts

2019 emerged as a favourable year for PE investments in India touching \$37 bn, according to data from Venture Intelligence. 74 PE investments were pegged at and above \$100 mn accounting for 74% of the total investments which included five investments worth \$1 bn. The infrastructure industry took the large share of the pie with 40% of the investments attracting \$14.7 billion with 74 deals. Meanwhile, the energy industry led by Brookfield's \$1.9 bn investment in Reliance Pipeline Infra also saw a growth in investments taking the share to \$4.9 bn. The RIL-Brookfield partnership further extended into telecom, with the Canadian investor agreeing to push about \$3.7 bn in an SPV that will acquire a controlling stake in Jio's tower infrastructure company. IT companies also saw an appreciation in investments with PayTM raking \$1 bn by US-based T Rowe Price. The industry received 32% of the total PE investments in the year passing by as 9 new unicorn companies were raised, which include Delhivery, Dream11, BigBasket, Rivigo, Druva Software, Icertis, Citius Tech, Ola Electric, and Lenskart. In the past few years, the government was successful in implementing friendly regulations like removal of initial public offering (IPO) lock up for AIF investors, banks being allowed to invest in AIF 1 and 2 domestically, and clarification on the characterisation of tax for AIF and blanket exemption from angel tax for all start-ups. This put together is expected to bode well for the private markets in the long term.



Source: Venture Intelligence

Our Private Equity Business

Our PE arm manages three growth capital funds and four real estate funds. The QGLP philosophy is extended in private equity business too. The growth funds focus on themes that may benefit from structural changes like domestic consumption, domestic savings, infrastructure, etc. MOPE Funds have been successful in gaining investors' confidence with stellar returns over the years. IBEF I has delivered a portfolio XIRR of 27.9%. Fund II has committed 100% across 11 investments so far after raising commitments from marquee institutions and exits from fund will contribute, going forward. Strong performance and positioning has enabled MOPE to raise Fund III ("IBEF-III") in very quick succession to Fund II. Fund III was launched in FY2018, which, after exhausting its green-shoe option, stands fully raised at ~₹ 2,300 crores. IBEF III has already deployed around ~₹ 980 crores across 6 investments and, the Fund is extensively evaluating opportunities across its preferred sectors.

The encouraging performance is not limited to growth funds but real estate funds too. IREF I has fully exited from all 7 investments, translating into ~118% capital returned to investors. IREF II is fully deployed across 14 investments. The Fund has secured 10 complete exits and 1 structured exit and has returned money equaling 125.4% of the Fund Corpus back to the investors. Average IRR on exited investments is 21.4%. IREF III has deployed ₹ 1,354 crores including reinvestments across 24 investments. The Fund has secured 6 full exits and has returned money equaling 26.4% representing income earned & distributed to its investors. Average IRR on exited investments is 22.4%. IREF IV, launched in the third quarter of 2018 achieved its final close in February 2020 at ₹ 1,148 crores. The fund has deployed ₹ 530 crores across 9 investments. Going forward, our focus will be on opportune on growth stories in private space and provide best returns through our existing and future funds.

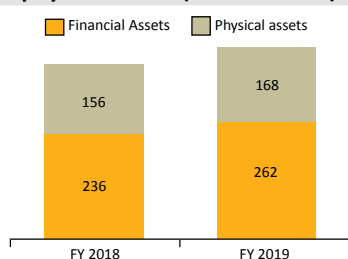
Wealth Management

Industry Facts

As per latest Karvy Wealth Report, India's individual wealth stands at ₹ 430 lakh crores as of FY2019 which has grown at 10% on YoY basis. More-over the proportion of financial assets in the total wealth has grown to 61% in FY2019 from 58% in FY2017. The financial assets grew at 11% YoY to ₹ 262 lakh crores. The year witnessed an increase in share of cash, provident fund and mutual funds. The proportion of equity and equity products in the financial asset mix declined from 21% in 2018 to 20% in 2019. The composition of equities in overall assets is still very less in India, as compared to the world. In the last 5 years, HNI population in India has grown by 64% to reach 2.56 lakhs in 2018 from 1.56 lakhs in 2014. It is estimated that individual wealth in India will grow at a CAGR of 13.2% over next 5 years which is more than the global average.

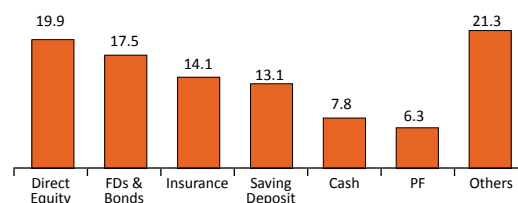
Management Discussion and Analysis (Contd.)

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



Source: Karvy Private Wealth Report 2019

Individual wealth in various financial assets in 2019 (%)



Our Wealth Management Business

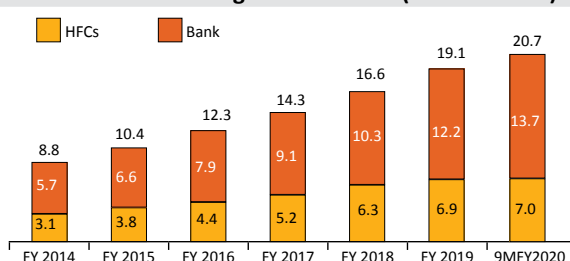
Our wealth AUM stood at ₹ 15,624 crores during FY2020. We implemented conservative approach in Relationship Manager (RM) additions in this volatile year and rather focused more on training and knowledge development. We follow philosophy of 'home grown talent' which involves lower-cost junior RMs to assist the senior RMs to expand their books, while getting mentored to take a bigger role in the future. The rise in RM vintage and play of operating leverage will lead to scaling up of margins. The client acquisition too saw an encouraging growth with number of families under our business increasing 13% YoY to 4,186. This traction was largely a result of our RM base and our advisory capabilities. Our product mix contains ~61% of the equity products which helps in garnering higher yields. Also, inclination towards trail based model since inception has kept the business immune from any regulatory changes. Our trail revenues, which account for 70% of total revenues, now cover 80% of fixed costs. This will provide cushion to margins in downturn.

Housing Finance

Industry Facts

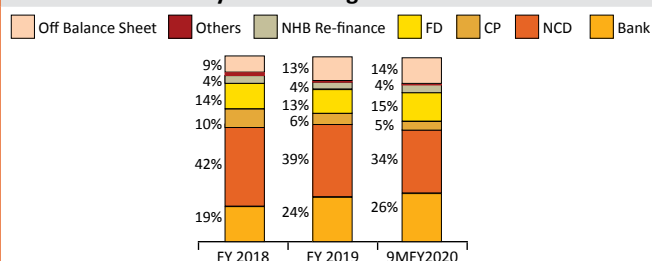
As per ICRA's report, the total outstanding housing credit as on December 2019 stood at ₹ 20.7 lakh crores. Out of the total outstanding credit, Housing Finance Companies (HFCs) and Non-Banking Financial Corporations (NBFCs) contributed around ₹ 7 lakh crores. The share of HFCs in the credit portfolio remained consistent at 34% even after slower growth in disbursements. The dip in growth was due to lower disbursements because of continued funding constraints for the sector. Also, the HFCs resorted to higher activity in securitization of assets/portfolio sale outs to maintain the liquidity balance. The stagnant growth in HFCs was opportune by banks which led to overall market growth of ~13% till December 2019. The share of CP borrowings remained at 5% of the overall borrowings of HFCs as on December 2019. The CP borrowings have largely been refinanced by bank borrowings, the share of which increased to 26% as on December 2019 from 24% as on March 31, 2019, and by securitization, the share of which increased to 14% of the overall borrowing mix from 12% during the same period. The Covid-19 induced slowdown is likely to impact the performance of HFCs. Although various initiatives have been taken by the Government and the RBI to bolster the segment, the business growth and key performance parameters are expected to weaken over the next 1-2 quarters. As per ICRA, the housing credit growth is expected in the range of 7%-10% in FY2021. The growth is estimated to be slower in H1 FY2021 while recovery in H2 FY2021 would depend on the overall economic turnaround.

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



Source: ICRA

Industry's Borrowings mix in all HFCs



Our Housing Finance Business

We cater to pure-retail affordable housing space through Motilal Oswal Home Finance (previously known as Aspire Home Finance Corporation). During the year, we concentrated our efforts in re-building our home finance business in terms of processes, system, manpower and structure to strengthen our business. As a result, we followed a conservative approach in our disbursements which

Management Discussion and Analysis (Contd.)

stood at ₹ 192 crores in FY2020. The loan book stood at ₹ 3,667 crores across 47,900+ families as of Mar 2020. Our average ticket-size at sourcing stood at ₹ 8.8 lakhs in FY2020. We have put in place a vertical organization structure comprising sales, credit, collection and technical team. The implementation of cluster level credit layer along with 4 layer credit approval system based on loan ticket sizes and differentiated pricing methodology for loans based on risk type should likely result in improve underwriting, going forward. MOHFL has sold NPA book of ₹ 424 cr at ~50% haircut this has resulted in multiple benefits including lower NPAs. We have received credit rating upgrade from CRISIL to AA-/Stable from earlier A+/Stable. This rating upgrade was on account of corrective measures taken with visible positive developments on new management team, strengthening collections and recovery teams, enhanced credit appraisal and risk monitoring and strong capital position. This also represents the conviction we have over our efforts to revive this business. Our gearing declined to 3.4x as of Mar 2020. Our liability profile remains diversified with ~51% of the borrowings from the capital markets in the form of NCDs and ~49% from banks. MOHFL had credit lines from 22 banks as of Mar 2020. We have limited borrowing repayments for next 1 year, strong undrawn borrowing lines and ALM places us in comfortable liquidity situation.

We have invested significantly in technology to reduce operational costs and turnaround-times. Also, the mobile apps for sales and credit teams coupled with newly framed processes are expected to deliver much better outcomes in future. FY2020 loan portfolio consisted of salaried and self-employed in the ratio of 55:45. However, going forward, our focus would be more on self-employed segment which will enhance our yields.

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

In line with the long term strategy to grow RoE sustainably, MOFSL had made strategic allocation of capital to long term RoE enhancing opportunities like Motilal Oswal Home Finance Ltd, and sponsor commitments to our mutual fund and private equity funds. As of Mar 2020, our total quoted equity investments stood at ₹ 1,220 crores. Unrealized gain on all investments was ~₹ 172 crores. These unrealized gains on investments have been reported in the P/L account for the year. The reported ROE was 6.6% for the year and will grow followed by exits in private equity funds, as and when they reach their exit-stage.

Key Ratios

The ROE during the year FY2020 stood at 6.6% vs 10.8% in FY2019. Drop in ROE was primarily on account of MTM based loss. EBITDA and Net profit margins stood at 37% and 9% respectively in FY2020 (after intercompany adjustments). Debt to Equity ratio stood at 1.5x.

Opportunities and Threats

Opportunities

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

Threats

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

Strengths

• Strong Brand name

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

• Experienced top management

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

Management Discussion and Analysis (Contd.)

- **Integrated financial services provider**

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

- **Independent and insightful research**

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

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

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

- **Established leadership in Franchisee business**

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

- **Strong risk management**

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

- **State of art infrastructure**

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

- **Financial prudence**

MOFSL's operating margins continue to remain stable despite the fluctuations in market volumes and revenues. This is a result of creating a robust business model that can withstand the cyclical fluctuations in business volumes and simultaneously capture the opportunities provided by the structural growth of India. During the year, CRISIL Limited reaffirmed the Credit Rating of "CRISIL A1+" the Commercial Paper Programme of ₹ 1,300 crores of the Company. CRISIL Limited assigned the Credit Rating of "CRISIL A1+" to the Commercial Paper Programme of ₹ 2,500 crores and reaffirmed "CRISIL A1+" to the Commercial Paper Programme of ₹ 500 crores of Motilal Oswal Finvest Limited, a subsidiary of the Company. ICRA Limited reaffirmed the credit rating of "[ICRA] AA(Stable)" rating with a stable outlook to the NCD Programme of ₹ 350 crores of the company. India Ratings and Research reaffirmed rating of "IND A1+" to Commercial Paper Programme of ₹ 1,300 crores of Motilal Oswal Financial Services Limited. India rating also reaffirmed rating of "IND A1+" to Commercial Paper Programme of ₹ 1,000 crores and assigned a new rating of "IND A1+" to Commercial Paper Programme of ₹ 2,000 crores of Motilal Oswal Finvest Limited, a subsidiary of the Company. The ratings indicate a strong degree of safety regarding timely servicing of financial obligations.

Risks and concerns

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

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

Internal control systems and their adequacy

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

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

Report on Corporate Governance

REPORT ON CORPORATE GOVERNANCE

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

Corporate Governance Philosophy

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

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

Board of Directors ("Board")

Composition of Board:

The Company is in compliance with the provisions of Section 149 of the Companies Act, 2013 ("the Act") and Regulation 17 of the Listing Regulations. As on March 31, 2020, the Board consists of Eight Directors comprising of Three Executive Directors, one Non Executive Director and Four Independent Directors including two Woman Directors. The Company has a Non-Executive Chairman & he is Promoter of the Company and thus, 50% (Fifty Percent) of the total number of Directors are Independent. The Management of the Company is headed by Mr. Motilal Oswal, Managing Director & Chief Executive Officer of the Company, who operates under the supervision and control of the Board. The Board reviews and approves strategy and oversees the actions and results of management to ensure that the long-term objectives of enhancing stakeholders' values are met.

All the Independent Directors have confirmed to the Board that they meet the criteria for Independence in terms of the definition of 'Independent Director' stipulated under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act. These confirmations have been placed before the Board.

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

Board Process:

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

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

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

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

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

Report on Corporate Governance (Contd.)

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

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

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

Information to the Board:

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

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

Performance Evaluation:

In terms of provisions of the Act read with Rules issued there under and Regulations 17 and 19 of the Listing Regulations, the Board, on recommendation of the Nomination and Remuneration Committee, have evaluated the effectiveness of the Board. Accordingly, the performance evaluation of the Board, each Director and the Committees was carried out for the financial year ended March 31, 2020. The evaluation of the Directors was based on various aspects which, inter alia, included the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company along with the environment and effectiveness of their contribution, etc.

Meeting of Independent Directors:

Section 149(8) of the Act read with Schedule IV of the Act requires the Independent Directors of the Company to hold at least one meeting in a financial year, without the attendance of non-independent directors and senior management. The Independent Directors of the Company met on May 11, 2019, pursuant to the provisions of the Act and the Listing Regulations. The Chairman of said Meeting of Independent Directors was Mr. Praveen Tripathi.

Familiarization Programmes for Independent Directors:

The Company has familiarized the Independent Directors of the Company with Programmes which aims to provide them in depth insight and understanding of the Company's business and operations, which enables and assists them in performing their role as Independent Directors of the Company. The Company's Policy of conducting the familiarization programmes along with the details of the programmes imparted to the Independent Directors has been disclosed on the website of the Company at https://www.motilaloswalgroup.com/Downloads/IR/315816220Familiarization-Programmes-for-Independent-Director_2020.pdf

Report on Corporate Governance (Contd.)

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

The following is the list of core skills / expertise / competencies possessed by the Board of Directors of the Company, which are essential for the functioning of the Company in an effective manner:

Sr. No.	Skills/expertise/competences	Name of the Directors
1.	Business Expertise (Broking & Distribution, Wealth Management, Housing Finance, Private Equity, Institutional Equities, Investment Banking, Asset Management, Loan Against Securities)	Mr. Motilal Oswal, Mr. Raamdeo Agarawal, Mr. Navin Agarwal, Mr. Ajay Menon, Ms. Sharda Agarwal
2.	Corporate Finance & Fund based	Mr. Motilal Oswal, Mr. Raamdeo Agarawal, Mr. Navin Agarwal, Mr. Ajay Menon, Mr. Praveen Tripathi.
3.	Legal, Compliance & Governance, Information Technology	Mr. Motilal Oswal, Mr. Raamdeo Agarawal, Mr. Ajay Menon, Ms. Rekha Shah
4.	Market Research, Marketing & Human Resource	Mr. Raamdeo Agarawal, Mr. Navin Agarwal, Mr. Vivek Paranjpe, Mr. Praveen Tripathi, Ms. Sharda Agarwal

Board Meetings held during the year:

During the FY2019-20, the Board met Seven times i.e. on May 11, 2019, July 05, 2019, July 31, 2019, August 26, 2019, October 24, 2019, January 22, 2020 and March 21, 2020. The maximum gap between any two meetings was not more than one hundred and twenty days. The required quorum was present at all the above meetings. The meetings of the Board are generally held at the Registered Office of the Company.

Attendance & Other details:

The attendance of the members of the Board at the meetings held during the FY2019-20 and at the previous Annual General Meeting ("AGM") held on July 31, 2019 and also the number of other Directorships and Memberships / Chairpersonship of Committees held by them as on March 31, 2020 are as follows:

Name of the Director	Category	DIN	Board Meetings		Attendance at the previous AGM	Number of Directorships and Committee Membership / Chairpersonship (including in Company)			No. of Independent Directorships ⁽³⁾ (including in Company)
			No. of meetings held during the year	No. of meetings attended		Directorship ⁽¹⁾	Member ⁽²⁾	Chairman ⁽²⁾	
Mr. Raamdeo Agarawal	P, C & NED	00024533	7	7	Present	8	3	–	–
Mr. Motilal Oswal	P, MD&CEO	00024503	7	7	Present	8	3	1	–
Mr. Navin Agarwal	MD	00024561	7	7	Present	6	3	–	–
Mr. Ajay Menon	WTD	00024589	7	6	Present	4	1	1	–
Mr. Vivek Paranjpe	ID	03378566	7	6	Present	2	1	–	2
Ms. Rekha Shah	ID	07072417	7	6	Present	4	4	1	1
Mr. Praveen Tripathi	ID	03154381	7	7	Present	5	1	1	1
Ms. Sharda Agarwal	ID	00022814	7	5	Present	4	2	1	2

P – Promoter, C – Chairman, MD&CEO – Managing Director & Chief Executive Officer
WTD – Whole-Time Director, ID – Independent Director, NED – Non-Executive Director

Notes:

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

Report on Corporate Governance (Contd.)

Details of Directorship in Listed Entities as on March 31, 2020:

The details of directorship held by Directors of the Company in other listed entities as on March 31, 2020 are as follows:-

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

*Equity Listed Entities are covered

Committees of the Board:

With a view to have a more focused attention on the business and for better governance and accountability, the Board has constituted including but not limited to various below mentioned Committees under the Act and Listing Regulations for compliance and/or administrative purpose. All decisions pertaining to the constitution of the Committees, appointment of members and fixing of terms of reference for the Committee is taken by the Board of Directors. The Committees make specific recommendations to the Board on various matters whenever required. All observations, recommendations and decisions of the Committees are placed before the Board for information or for approval:-

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

1) Audit Committee

The terms of reference of the Committee are as follows:

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

Report on Corporate Governance (Contd.)

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

Composition, Meetings and Attendance:

During the FY2019-20, the Audit Committee met five times i.e. on May 11, 2019, July 05, 2019, July 31, 2019, October 24, 2019 and January 22, 2020. The maximum gap between any two meetings was not more than one hundred and twenty days. The details of the Composition of the Committee, number of meetings held and the attendance of the Members are given herein below:-

Name of the Member	Category	Designation in the Committee	No. of Meetings	
			Held	Attended
Mr. Praveen Tripathi	ID	Chairman	5	5
Mr. Vivek Paranjpe	ID	Member	5	4
Ms. Sharda Agarwal	ID	Member	5	3
Ms. Rekha Shah	ID	Member	5	5
Mr. Raamdeo Agarawal ⁽¹⁾	C&NED	Member	3	3

⁽¹⁾ Ceased to be Member w.e.f. July 31, 2019.

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

2) Nomination and Remuneration Committee

The terms of reference of the Committee are as follows:

1. Formulate criteria to qualify individuals who may become Director or who may be appointed in senior management level of the Company and recommend to the Board of such appointments and removal.
2. Carry out performance evaluation of all Directors.
3. Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
4. Recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees. The policy shall be referred as Nomination and Remuneration policy.
5. To decide on the commission payable to the Directors within the prescribed limit and as approved by the shareholders of the Company.

Report on Corporate Governance (Contd.)

- 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.
- To recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
- 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.
- To decide whether to extend or continue the term of appointment of the independent director on the basis of report of performance evaluation of independent director.

Composition, Meetings and Attendance:

During the FY2019-20, the Committee met three times i.e. on May 11, 2019, July 31, 2019 and October 24, 2019. The details of the Composition of the Committee, number of meetings held and the attendance of the Members are given herein below:-

Name of the Member	Category	Designation in the Committee	No. of Meetings	
			Held	Attended
Mr. Vivek Paranjpe	ID	Chairman	3	2
Mr. Raamdeo Agarawal ⁽¹⁾	C& NED	Member	1	1
Mr. Motilal Oswal ⁽²⁾	MD&CEO	Member	2	2
Mr. Praveen Tripathi	ID	Member	3	3
Mr. Sharda Agarwal	ID	Member	3	2

⁽¹⁾ Appointed as Member w.e.f. October 14, 2019.

⁽²⁾ Ceased to be Member w.e.f. October 13, 2019.

Nomination and Remuneration Policy:

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

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

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

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

Remuneration to Directors:

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

Mr. Motilal Oswal, Mr. Navin Agarwal and Mr. Ajay Menon, draws remuneration from the Company. Mr. Raamdeo Agarawal was appointed as Joint Managing Director for the period of 5 years from October 14, 2014 to October 13, 2019 and was accordingly drawing monthly remuneration from the Company for the said period. Since his tenure has expired on October 13, 2019, he continued as Non-Executive Director and was appointed as Non-Executive Chairman w.e.f. October 14, 2019. Apart from the reimbursement of expenses incurred in discharge of their duties and the sitting fees and commission that the Independent Directors would be entitled to receive under the Act, none of the Independent Directors has any other material pecuniary

Report on Corporate Governance (Contd..)

relationship or transactions with the Company, its Promoters, its Directors, its Management, its Subsidiary Companies and its Associate Companies which would affect their independence.

Remuneration to the Executive Directors

(Amount in ₹)

Name of the Director	Category	Salary ⁽¹⁾	Variable Pay	Perquisites	Total
Mr. Raamdeo Agarawal ⁽²⁾	C & NED	14,838,710	–	1,968,175	16,806,885
Mr. Motilal Oswal	MD&CEO	24,040,000	–	–	24,040,000
Mr. Navin Agarwal	MD	22,320,100	60,000,000	⁽³⁾ 95,479,300	177,799,400
Mr. Ajay Menon	WTD	9,514,409	15,000,000	39,600	24,554,009
Total					243,200,294

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

⁽²⁾ Appointed as Non-Executive Chairman w.e.f. October 14, 2019

⁽³⁾ Include Perquisites value of ₹ 95,431,700 on exercise of Employee Stock Options

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

Remuneration paid to Non-Executive Directors

The Independent Directors are paid a sitting fees of ₹ 20,000/- for every Meeting of the Board and ₹ 10,000/- for every meeting of the Committees of the Board attended by them. The shareholders of the Company at the Annual General Meeting held on July 27, 2017 approved the payment of Commission up to an amount not exceeding 1% of the Net Profits of the Company computed in accordance with the provisions of Section 198 and other applicable provisions of the Act, to Independent Directors of the Company for period of five years with effect from April 1, 2017. The Nomination and Remuneration Committee at its Meeting held on May 11, 2020 approved the payment of Commission of ₹ 7.50 lakhs to each Independent Director of the Company for the FY2019-20. Mr. Raamdeo Agarawal, Non-Executive Non-Independent Director of the Company is not paid any sitting fees for attending Board Meetings & various Committee Meetings. However, the Board, pursuant to the recommendation of Nomination and Remuneration Committee, at its meeting held on July 31, 2019 has approved the payment of remuneration of ₹ 12 lacs per annum by way of monthly commission of ₹ 1 lac per month to Mr. Raamdeo Agarawal, Non-Executive Chairman of the Company.

Details of the sitting fees & commission paid to the Non-Executive Directors for the FY2019-20 are given herein below:-

(Amount in ₹)

Name of the Director	Category	Sitting Fees for Board Meeting	Sitting Fees for Committee Meeting	Commission	Total
Mr. Raamdeo Agarawal ⁽¹⁾	C & NED	–	–	600,000	600,000
Mr. Vivek Paranjpe	ID	120,000	60,000	750,000	930,000
Mr. Praveen Tripathi	ID	140,000	100,000	750,000	990,000
Ms. Sharda Agarwal	ID	100,000	50,000	750,000	900,000
Ms. Rekha Shah	ID	120,000	60,000	750,000	930,000

⁽¹⁾ Appointed as Non-Executive Chairman w.e.f. October 14, 2019

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

Report on Corporate Governance (Contd.)

Shares held by the Non-Executive Directors

Details of the Equity Shares of the Company held by the Non-Executive Directors as on March 31, 2020 is given herein below:-

Name of the Director	Category	No. of Equity Shares held
Mr. Raamdeo Agarawal	NED	79,27,265
Mr. Vivek Paranjpe	ID	Nil
Mr. Praveen Tripathi	ID	Nil
Ms. Sharda Agarwal	ID	Nil
Ms. Rekha Shah	ID	280

3) Stakeholders Relationship Committee

The terms of reference of the Committee are as follows:

- To address requests/resolve grievances of security holders including complaints related to transfer/transmission of securities, non-receipt of balance sheet, non-receipt of declared dividends/interests, etc.
- To monitor and transfer the amounts/shares transferable to Investor Education and Protection Fund ("IEPF").
- To approve transfer/transmissions of securities.
- Taking decision on waiver of requirement of obtaining the Succession Certificate/Probate of Will on case to case basis.
- To address the remat/demat requests of security holders for rematerialisation/dematerialisation of securities.
- To issue duplicate share/debenture certificate(s) reported lost, defaced or destroyed as per the laid down procedure and to resolve the grievances of security holders of the Company.
- Attending to complaints of security holders routed by SEBI (SCORES)/Stock Exchanges/RBI or any other Regulatory Authorities.
- Specifically look into the various aspects of interest of shareholders, debenture holders and other security holders.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- Any other matters that can facilitate better investor services and relations.

Composition, Meetings and Attendance:

During the FY2019-20, the Committee met once i.e. on October 24, 2019. The details of the Composition of the Committee, number of meeting held and the attendance of the Members are given herein below:-

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

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 FY2019-20 are given herein below:

Sr. No.	Nature of Complaint	Pending as on April 1, 2019	Received during the year	Disposed off during the year	Pending as on March 31, 2020
i.	SEBI/Stock Exchange Complaints	0	1	1	0
ii.	Non-receipt of Dividend warrant/Interest	-	-	-	-
iii.	Non-receipt of Share Certificate	-	-	-	-
iv.	Non-receipt of Annual Report	-	-	-	-
v.	Others	-	-	-	-
	Total	0	1	1	0

Report on Corporate Governance (Contd..)

SEBI Complaints Redress System (SCORES)

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

All complaints have been redressed to the satisfaction of the shareholders and none of them were pending as on March 31, 2020.

4) Corporate Social Responsibility Committee

The terms of reference of the Committee are as follows:

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

Composition, Meetings and Attendance:

During the FY2019-20, the Committee met twice i.e. on May 11, 2019 and October 24, 2019. The details of the Composition of the Committee, number of meetings held and the attendance of the Members are given herein below:-

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

The CSR Policy devised in accordance with Section 135 of the Act and the details about CSR Policy and initiatives and activities undertaken by the Company on CSR during the financial year 2019-20 is annexed as “Annexure-5” to the Board’s Report.

5) Risk Management Committee

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

The terms of reference of the Committee are as follows:

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

Report on Corporate Governance (Contd.)

9. Overseeing and Identifying the wilful defaulters;
10. Monitoring and Reviewing of the Risk Management Plan including Cyber Security.

Composition:

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

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

CFO: Chief Financial Officer

6) Finance Committee

The terms of reference of the Committee are as follows:

1. To review, evaluate and approve the Investments to be made by the Company;
2. To borrow monies from Banks, financial institution, Body Corporate(s) or any other person for funding capital requirement of the Company and its subsidiaries, the amount outstanding at any point of time not exceeding the overall limit of ₹ 7,500 crores;
3. To create Pledge / hypothecate / mortgage and /or charge on both movable and immovable assets not exceeding the overall limit of ₹ 10,000 crores;
4. To provide loans to any Body Corporate/Person not exceeding the overall limit of ₹ 2,000 crores and /or give guarantee or provide security in connection to loan to any other body corporate or person not exceeding ₹ 4,000 crores;
5. Allotment of Shares, Debentures and other securities;
6. Acquisition by way of subscription, purchase of otherwise the securities of any body corporate including investment in private equity funds and real estate funds not exceeding overall limits of ₹ 3,000 crores;
7. Affix common seal of the Company on instruments or deeds or on any document(s) as may be required in the presence of at least one Director or such other person as the Committee may appoint for the purpose;
8. Investments, Deployment, Liquidation and re-deployment of surplus funds of the Company, temporary or otherwise, from time to time, in units of mutual fund schemes, units of liquid funds, Discounting of Bills of Exchange, unit of collective investment schemes, inter-corporate deposits, derivatives, Foreign Exchange, Government Securities, national savings certificates, postal savings certificates, and subject to the provision of Section 186 of the Companies Act, 2013 and investment in any other marketable / financial instrument and any other instrument traded on the Stock Exchange(s) and Commodity Exchange(s) from time to time, the amount to be invested at any point of time not exceeding ₹ 5,100 crores;
9. Review and monitoring of the business policies and operational decisions as set by the Board, from time to time;
10. Supervision and review of the performance of various operational activities on an ongoing basis;
11. Authorise negotiations and arrangements for operational and administrative requirements;
12. Opening and closing current /cash credit /overdraft /fixed deposit or other accounts including depository accounts with any scheduled bank and /or depository participant, authorize the officials of the Company to operate the same and to vary the existing authorization in respect of these accounts;
13. Issue of Power of Attorneys/Delegation Letter to the Officials of the Company;
14. Execute, sign, certify any agreement, MOU, undertaking, document, deed and other writings in relation to the day-to-day matters;
15. Authorise Officials of the Company to initiate legal action, sign documents /deeds /undertakings and other writings and represent the Company in litigation and settle any legal disputes in connections with any legal proceedings by or against the Company;
16. Registration, renewal / continuation of registration and continuing compliance and observance of various provisions of Shops & Establishment, Sales Tax, Service Tax, Professional tax and such other legislations and rules, regulations and directions

Report on Corporate Governance (Contd..)

made or issued there under;

17. To undertake all activities to act as sponsor and to decide quantum of investment and/or commitment in these funds, schemes, trusts and to do all such acts, deeds, and things as may be necessary in this regard;
18. Grant of authority to avail online payment gateway facility;
19. To take decisions with respect to matters of acquisition, disposal and utilization of premises (by way of sale, purchase, lease, leave & license or otherwise) for and on behalf of the Company;
20. To open, operate and close Bank Accounts/Demat Accounts;
21. To acquire broking & distribution business and other businesses of various entities, in one or more tranches, for total consideration value up to ₹ 25 crores and to sign, file and submit documents for obtaining regulatory approvals, if any, in this regard and carry out such other incidental & ancillary matters;
22. To sign and execute all forms and other documents for the foregoing purposes and to do all such acts as may be ancillary or incidental to the foregoing purposes;
23. Any other incidental or other matter in the ordinary course of business, including delegation of powers for routine matters, and/or may be delegated by the Board, from time to time.

Composition:

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

Name of the Member	Category	Designation in the Committee
Mr. Motilal Oswal	MD&CEO	Chairman
Mr. Raamdeo Agarawal	C&NED	Member
Mr. Navin Agarwal	MD	Member
Mr. Ajay Menon	WTD	Member

7) Business Responsibility Committee

The terms of reference of the Committee are as follows:

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

Composition:

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

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

The Company Secretary is Permanent Invitee

Policy on Prevention of Sexual Harassment of Women at Workplace

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

Report on Corporate Governance (Contd..)

Sr. No.	Category	No. of complaints filed during FY2019-20	No. of complaints disposed of during FY2019-20	No. of complaints pending as on end March 31, 2020
1.	Sexual Harassment	Nil	N.A.	N.A.
2.	Discriminatory employment	Nil	N.A.	N.A.

Management Discussion and Analysis

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

General Body Meetings

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

No.	Date	Venue	Time	Special Resolutions passed
12th AGM	July 27, 2017	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai – 400 025.	4.30 p.m.	i) Re-appointment of Mr. Vivek Paranjpe (DIN:03378566) as an Independent Director of the Company ii) Re-appointment of Mr. Praveen Tripathi (DIN: 03154381) as an Independent Director of the Company iii) Re-appointment of Ms. Sharda Agarwal (DIN: 00022814) as an Independent Director of the Company iv) Authorization to offer or invite subscription, issue and allot Secured/Unsecured Redeemable Non-Convertible Debentures (“NCDs”) on Private Placement basis, aggregating up to ₹ 1000 Crores v) Approval of Motilal Oswal Financial Services Limited - Employees Stock Option Scheme – VIII for Issuance of Stock Options to employees of the Company vi) Approval of Motilal Oswal Financial Services Limited - Employees Stock Option Scheme – VIII for Issuance of Stock Options to the employees of present/future subsidiary companies/holding Company vii) Payment of Remuneration to Non-Executive Directors
13th AGM	September 27, 2018	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai – 400 025.	4.00 p.m.	i) Authorization to offer or invite subscription, issue and allot Secured/Unsecured Redeemable Non-Convertible Debentures (“NCDs”) on Private Placement basis, aggregating up to ₹ 2000 Crores ii) Approval to Subsidiary, Motilal Oswal Asset Management Company Limited for selling, Leasing and Disposing of its Assets in excess of twenty percent of its total assets, respectively in any financial year
14th AGM	July 31, 2019	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai – 400 025.	4.00 p.m.	Issuance of Equity Shares on Preferential basis

Postal Ballot Resolution(s)

During the FY2019-20, the approval of the shareholders was sought by way of postal ballot vide notice dated August 26, 2019 in respect of the Special Resolution for obtaining approval for Issuance of Equity Shares on Preferential Basis.

The details of Voting is given below:-

No. of votes polled	No. of Votes – in favour	% of Votes in favour on votes polled	No. of Votes – Against	% of Votes against on votes polled	No. of Invalid votes
11,80,78,429	11,80,78,309	99.9999	120	0.0001	5

The Company Secretary is Permanent Invitee

Report on Corporate Governance (Contd..)

Procedure for Postal Ballot:

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

The Company appointed Mr. Umashankar Hegde, Practicing Company Secretary as the Scrutinizer to scrutinize the entire Postal Ballot Process. The Scrutinizer submitted his report to the Chairman on completion of Scrutiny on September 26, 2019 and consolidated results of the said postal ballot were announced and the said results were made available at the Company's website at https://www.motilaloswalgroup.com/Downloads/IR/1664475162VotingResults_PostalBallot.pdf and also placed at the registered office of the Company. The Resolution mentioned above was passed by the shareholders with the requisite majority in favour of the Company.

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

Means of Communication:

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

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

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

General Shareholders' Information

Annual General Meeting Date, Time and Venue	July 30, 2020 at 04.00 P.M. Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400 025.
Financial Year	April 1, 2019 to March 31, 2020
Dividend Payout Date	The Company has paid interim dividend of ₹ 4.00/- per Equity Share.
Listing on Stock Exchanges	1. BSE 2. NSE The requisite Annual listing fees for financial year 2020-21 have been paid in full to BSE and NSE.
Stock Code/ISIN No.	
Equity:	BSE: 532892 NSE: MOTILALOF5
Debt:	Series C: INE886I07030

Market Price Data:

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

Month	BSE (₹)		NSE (₹)	
	High Price	Low Price	High Price	Low Price
April, 2019	750.05	600.65	751.50	602.50
May, 2019	855.00	658.00	855.90	658.00
June, 2019	800.65	665.00	800.00	665.00
July, 2019	732.75	519.00	707.00	517.45

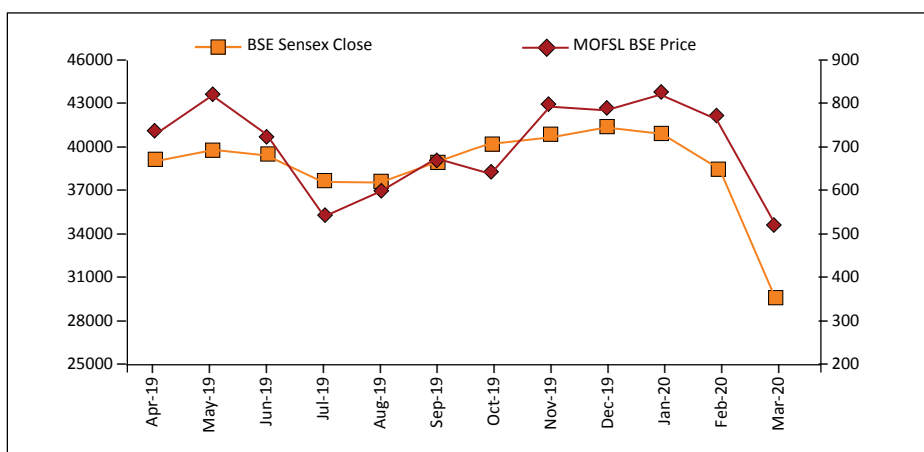
Report on Corporate Governance (Contd.)

Month	BSE (₹)		NSE (₹)	
	High Price	Low Price	High Price	Low Price
August, 2019	610.90	480.40	611.15	489.10
September, 2019	749.00	544.25	750.00	543.00
October, 2019	667.00	580.65	668.00	581.20
November, 2019	810.00	647.20	809.55	642.20
December, 2019	788.55	720.00	788.00	720.00
January, 2020	903.50	757.75	905.40	757.30
February, 2020	839.00	733.70	836.00	735.00
March, 2020	774.80	426.00	774.75	426.00

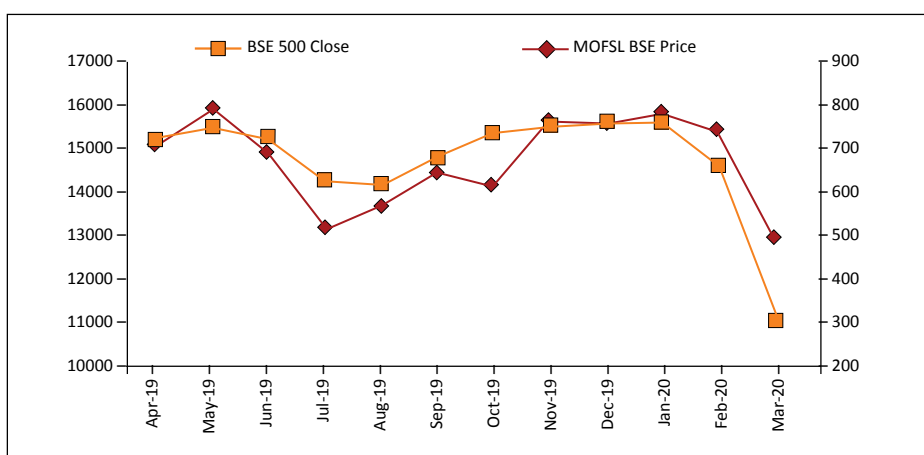
Performance in comparison to broad-based indices such as BSE Sensex, S&P CNX Nifty etc.:

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

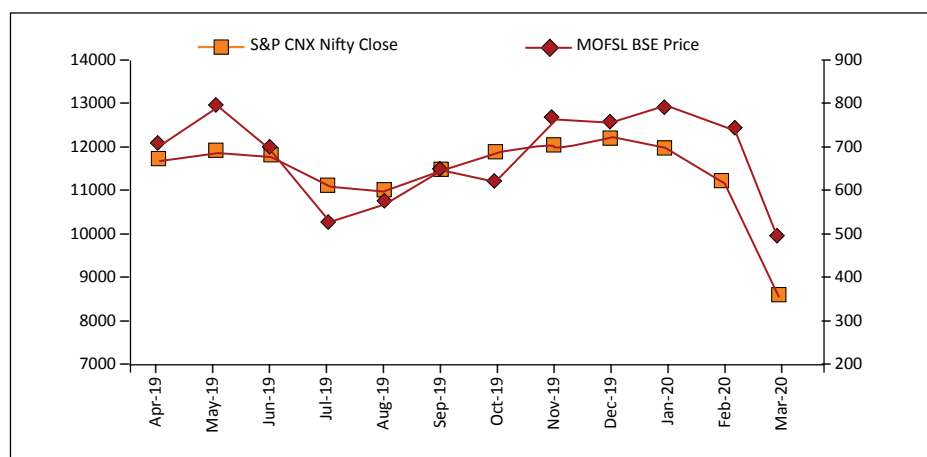


MOFSL Share performance versus BSE – 500



Report on Corporate Governance (Contd.)

MOFSL Share performance versus S&P CNX Nifty



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

Distribution of Shareholding:

Distribution of the shareholding of the equity shares of the Company by size and by ownership class as on March 31, 2020:

Number of Shares held	No. of Shareholders	Total No. of shares held in the category	% of shareholding
Up to 500	31,965	20,58,511	1.39
501-1000	796	5,98,712	0.40
1001-2000	432	6,30,072	0.42
2001-3000	159	3,97,426	0.27
3001-4000	74	2,66,422	0.18
4001 – 5000	57	2,65,789	0.18
5001 – 10000	117	8,51,841	0.58
10001 & Above	261	14,29,97,945	96.58
Total	33,861	14,80,66,718	100.00

Category wise Shareholding pattern as on March 31, 2020:

Sr. No.	Category	No. of Shares	% to Share Capital
1)	Promoters & promoter group	10,32,96,080	69.76
2)	Mutual Funds/Financial Institutions/Banks/Foreign Institutional Investors	2,09,58,185	14.15
3)	NRIs/OCBs	3,55,087	0.24

Report on Corporate Governance (Contd..)

Sr. No.	Category	No. of Shares	% to Share Capital
4)	Bodies Corporate	6,94,060	0.47
5)	Public	1,43,90,435	9.72
6)	Directors	77,68,290	5.24
7)	Others	6,04,581	0.42
	Total	14,80,66,718	100

Dematerialization of Shares and liquidity	As on March 31, 2020, 99.98% of the total equity share capital was held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited and 27,060 Equity shares were held in Physical form.
Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity	As on March 31, 2020, the Company did not have any outstanding GDRs / ADRs / Warrants or any Convertible instruments (excluding ESOPs).
Commodity price risk or foreign exchange risk and hedging activities	Not Applicable
Plant Locations	The Company is in the business of broking and distribution; therefore, it does not have any manufacturing plants.
Address for Correspondence	Link Intime India Pvt. Limited (Registrar and Transfer Agent) C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083. Tel: +91 22 49186000, Fax: +91 22 49186060 Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in
Name and Address of the Compliance Officer	Mr. Kailash Purohit Company Secretary & Compliance Officer Motilal Oswal Financial Services Limited Motilal Oswal Tower, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai – 400025 Tel: +91-22-7199 2334, Fax: +91-22-5036 2365 E-mail: shareholders@motilaloswal.com
List of all credit ratings obtained along with any revisions thereto during the relevant financial year.	The details of credit rating obtained by the Company is included in Board's Report forming part of Annual Report of the Company

Disclosures:

- i) The Company has complied with all the requirements of regulatory authorities. No material penalties / strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market during last three years.
- ii) Whistle Blower Policy / Vigil Mechanism
Pursuant to the provisions of Regulation 22 of the Listing Regulations and section 177 of the Act, the Company established a Vigil Mechanism / Whistle Blower Policy for Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
This mechanism provides for adequate safeguards against victimization of director(s) / employee(s) who avail the mechanism and makes provision for direct access to the Chairman of the Audit Committee. The policy has been uploaded on the website of the Company at [We affirm that no director/employee of the Company was denied access to the Audit Committee.](#)
- iii) The Company has complied with all the mandatory requirements of the Listing Regulations.
- iv) The Company has complied with the following non-mandatory requirements as prescribed in Regulation 27 Schedule II Part E of the Listing Regulations: -

Report on Corporate Governance (Contd..)

- a) The Company is in the regime of unmodified financial statements.
- b) The internal auditor of the Company reports directly to the Audit Committee.
- v) The Company has complied with the Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.
- vi) M/s. U. Hegde and Associates, Practicing Company Secretary certified that none of the directors of the Company have been debarred or disqualified from being appointed or continuing as director of the Company by SEBI or Ministry of Corporate Affairs or any such statutory authority.
- vii) Total fees paid to M/s. Walker Chandiook & Co. LLP, Chartered Accountants, Statutory Auditors on consolidated basis is ₹ 114.24 Lakhs for the FY2019-20.
- viii) In terms of the amendments made to the Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from its mandatory committees.

ix) **Subsidiary Companies**

According to the Regulation 16(1)(c) of the Listing Regulations, a “Material subsidiary” shall mean a subsidiary, whose income or net worth (i.e. paid up capital and free reserves) exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. The Company has two Material subsidiaries namely Motilal Oswal Home Finance Limited (“MOHFL”) and Motilal Oswal Asset Management Company Limited (“MOAMC”) as on March 31, 2020. The debentures of MOHFL are listed on BSE and units of mutual funds of MOAMC are listed on NSE and BSE.

As required under the Listing Regulations, the Company has formulated policy for determining material subsidiaries which has been uploaded on the Company’s website at <https://www.motilaloswalgroup.com/Downloads/IR/212618793Policy-on-Determination-of-MaterialSubsidiaries.pdf>

x) **Related Party Transactions**

The Company has obtained the approval of members, on July 31, 2019, for enhancing the limits for acquisition of securities, give any guarantee and or loans and enter into any other transactions with Motilal Oswal Home Finance Limited (MOHFL), in one or more tranches, within a period of four years from the date of approval of the resolution i.e. July 31, 2019. Further, during the year under review, the Company has not entered into any materially significant transactions with any of the Directors, Management, Subsidiaries or Related parties.

Further, the details of all Related Party Transactions including aforesaid transactions entered during the year under review are presented in the Note No. 52 forming part of standalone financial statement of the Company.

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

Further, as required under Regulation 23 of the Listing Regulations, the Company has formulated a Policy on Materiality and dealing with Related Party Transactions which has been uploaded on the Company’s website at https://www.motilaloswalgroup.com/Downloads/IR/1568199502MOFSL_Policy-on-Materiality-and-Dealing-with-Related-Party-Transactions.pdf

xi) **CEO / CFO Certification**

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

xii) **Code of Conduct**

The Board has laid down the Code of Conduct for its Directors and for Senior Management of the Company. The Code has been posted on the Company’s website at <https://www.motilaloswalgroup.com/Downloads/IR/1584990557Code-of-Conduct-for-Directors-and-Senior-Management.pdf> All Board members and Senior Management have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management. A declaration signed by the Chief Executive Officer, Chairman & Managing Director to this effect is annexed to the report.

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

The Company has adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2018 and the effective date of such transition is April 01, 2017, with comparative figures being restated to make them comparable. The financial statements have

Report on Corporate Governance *(Contd..)*

been prepared in accordance with the recognition and measurement principles laid down in Ind AS notified under Section 133 of Companies Act, 2013 read with relevant Rules issued thereunder and other accounting principles generally accepted in India.

xiv) **Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32(7A).**

Since, the Company has issued shares on preferential basis for consideration other than cash in financial year 2019-20, the Company is not required to provide details of utilization of funds.

Chief Executive Officer's Declaration on Code of Conduct

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

To,
The Members of
Motilal Oswal Financial Services Limited

I, Motilal Oswal, Managing Director & Chief Executive Officer of the Company, declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management of the Company for the financial year 2019-20.

For **Motilal Oswal Financial Services Limited**

Place : Mumbai
Date : May 11, 2020

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

Independent Auditor's Certificate on Corporate Governance

To,
The Members of
Motilal Oswal Financial Services Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 20 April 2020.
2. We have examined the compliance of conditions of corporate governance by Motilal Oswal Financial Services Limited ('the Company') for the year ended on 31 March, 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

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

Auditor's Responsibility

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

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March, 2020.

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

Restriction on use

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

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Place: Mumbai
Date: May 11, 2020

Business Responsibility Report

BUSINESS RESPONSIBILITY REPORT

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

Background

As per the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (as amended from time to time), top 1000 listed entities (based on market capitalisation on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) are required to include a Business Responsibility Report (“BRR”) in the Annual Report.

Motilal Oswal Financial Services Limited (“MOFSL”) is a public limited company listed on BSE and NSE. Pursuant to Amalgamation of Motilal Oswal Securities Limited (“MOSL”) with MOFSL and their respective Shareholders (“Scheme”) being effective from August 21, 2018, MOFSL carries on the business of MOSL with effect from August 21, 2018. After receipt of SEBI approval on February 5, 2019, MOFSL is now a SEBI registered Trading Member registered with BSE, NSE, Multi Commodity Exchange of India Limited (“MCX”) and National Commodity & Derivatives Exchange Limited (“NCDEX”). MOFSL is now a SEBI registered Depository Participant registered with Central Depository Services of India Limited (“CDSL”) and National Securities Depository Limited (“NSDL”). MOFSL execute transactions in capital markets/equity derivatives/commodity derivatives/currency derivatives segments on behalf of its clients which include retail customers (including high net worth individuals), mutual funds, foreign institutional investors, financial institutions and corporate clients. Besides stock broking, it also offers a bouquet of financial products and services to its client base. It is registered with the SEBI as Research Analyst, Investment Advisor, Portfolio Manager and with various other bodies/agencies like IRDA, AMFI, CERSAI, KRA agencies (CVL, Dotex, NDML, CAMS and Karvy) etc. Further, MOFSL, along with its subsidiaries, offers a diversified range of financial products and services such as loan against shares, investment activities, private wealth management, broking and distribution, asset management business, housing finance, institutional equities, private equity and investment banking.

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sr. No.	Particulars	Company Information
1.	Corporate Identity Number (CIN) of the Company	L67190MH2005PLC153397
2.	Name of the Company	Motilal Oswal Financial Services Limited (MOFSL)
3.	Registered address	Motilal Oswal Tower, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai-400025, India
4.	Website	www.motilaloswalgroup.com
5.	E-mail ID	shareholders@motilaloswal.com
6.	Financial Year reported	April 01, 2019 to March 31, 2020
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code: 6612 - Engaged in providing broking related activity
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	The Company is engaged in Broking business activity. Further, through its subsidiaries offers a diversified range of financial products and services such as Loan against shares, Investment activities, Private wealth management, Asset management, Housing finance, Institutional equities, Private equity and Investment banking.
9.	Total number of locations where business activity is undertaken by the Company	(a) Number of International Locations (Provide details of major 5) : Nil (b) Number of National Locations: 36
10.	Markets served by the Company	National

Business Responsibility Report (Contd.)

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sr. No.	Particulars	Company Information
1.	Paid up Capital (₹ In lakhs)	1,481
2.	Total Turnover (₹ In lakhs)	1,26,949
3.	Total Profit after Taxes (₹ In lakhs)	19,680
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Please refer Annexure 5 to Board's Report forming part of the Annual Report.
5.	List of activities in which expenditure in 4 above has been incurred	Please refer Annexure 5 to Board's Report forming part of the Annual Report.

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

SECTION C: OTHER DETAILS

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

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

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

Yes, the Company's Business Responsibility Policy is applicable to all its 19 Subsidiary Companies as on March 31, 2020. The policies and processes adopted across all the companies within Motilal Oswal Group ("MO Group") are largely uniform.

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

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

SECTION D: BR INFORMATION

1. Details of Director / Directors responsible for BR:

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

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

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

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

The Company Secretary is Permanent Invitee

(b) Details of the BR head

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

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

Business Responsibility Report (Contd.)

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

(a) Details of compliance

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

Considering the business of the Company, Principle 2 is not applicable

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

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

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

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

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

P3 - Businesses should promote the wellbeing of all employees

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

Business Responsibility Report (Contd.)

P5 - Business should respect and promote human rights

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

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

P8 - Businesses should support inclusive growth and equitable development

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

3. Governance related to BR

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

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

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

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

Yes

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

The Whistle Blower Policy/Vigil Mechanism of the Company is uploaded on the website of the Company at <https://www.motilaloswalgroup.com/Downloads/IR/1677814951Vigil-MechanismWhistle-Blower-Policy.pdf> and Code of Conduct of the Company is uploaded on the website of the Company at <https://www.motilaloswalgroup.com/Downloads/IR/1584990557Code-of-Conduct-for-Directors-and-Senior-Management.pdf>

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

The Company has not received any complaint governing this principle.

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

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

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

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

Business Responsibility Report *(Contd..)*

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

Since, the Company is not involved in any manufacturing activity, the reporting on use of energy, water, raw material etc. is not applicable. However, the Company is equipped with rainwater harvesting system and recycles waste water to reuse as flush water and in watering plants. Further, there is thermal insulator which help in reducing the heat transfer thereby improving cooling inside the building and hence reducing power consumption.

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

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

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

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

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

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

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

Principle 3 – Business should promote the wellbeing of all employees

1. Please indicate the Total number of employees:

The total numbers of employees as on March 31, 2020 – 4,178.

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

Nil

3. Please indicate the Number of permanent women employees:

The total number of women employees as on March 31, 2020 - 1010.

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

The number of employees with disabilities as on March 31, 2020 - 1.

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

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

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

Not Applicable

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

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

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

(a) Permanent Employees: 89% of our permanent employees (including women employees) have received training in the last year. Employees based in India, undergo fire drill and fire safety training every year.

Business Responsibility Report *(Contd.)*

- (b) Permanent Women Employees: 93% of our women employees (except employees who were on long medical leave) have undergone the training.
- (c) Casual/Temporary/Contractual Employees: 85% of Casual/Temporary/Contractual employees have undergone the training.
- (d) Employees with Disabilities: All employees with disabilities have undergone the training.

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

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

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

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

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

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

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

Principle 5 – Business should respect and promote human rights

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

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

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

The Company has not received any complaint governing this principle.

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

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

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

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

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

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

Further, the Company has stopped the usage of plastic cups, bottles and straws for beverages and instead has distributed glass mugs to all the employees.

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

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

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

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

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

Business Responsibility Report (Contd.)

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

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

The Company has opted for efficient processes in order to minimize adverse impact on the environment. High priority is given towards energy efficiency for selecting or changing over to new system to have less carbon emission initiatives.

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

Not Applicable

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

Nil

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

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

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

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

Not applicable

Principle 8 – Businesses should support inclusive growth and equitable development

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

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

The Company being in the business of providing financial services, conducts various investor programs from time to time viz. Annual Global Investor Conference (AGIC), Motilal Oswal Business Impact Conference (MOBIC), etc.

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

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

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

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

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

The Company has spent an amount of INR 1,659 lakhs at group level in the Financial Year 2019-20 towards programs / projects through various NGOs and other organizations in three areas of its focus, namely Education and Medical Treatment, PM Cares Fund for COVID-19.

For further details, kindly refer Note 49 of Consolidated Financial Statement.

Business Responsibility Report *(Contd.)*

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

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

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

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

The percentage of customer complaints pending as on the end of financial year – 2.02%

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

The Company is engaged in Broking Business as on March 31, 2020 and hence this is not applicable.

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

The Company has not been served complaint with any activities involving unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during preceding five years which is pending as on the end of Financial Year 2019-20.

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

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

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

Raamdeo Agarawal
Chairman
(DIN: 00024533)

Place : Mumbai
Date : May 11, 2020

Independent Auditor's Report

To the Members of Motilal Oswal Financial Services Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying standalone financial statements of Motilal Oswal Financial Services Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2020, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

4. We draw attention to Note 64 relating to carrying value of Investments in Real Estate Funds and Private Equity Funds amounting to ₹ 50,162 lakhs as at March 31, 2020. As described in the note, the carrying value of such investments is subject to the uncertainties related to the impact of the COVID 19 pandemic. Our opinion is not modified in respect of this matter.

Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
<p>Information Technology system for the financial reporting process</p> <p>(i) The Company is highly dependent on its information technology (IT) systems for carrying on its operations which require large volume of transactions to be processed on a daily basis. Further, the Company's accounting and financial reporting processes are dependent on the automated controls enabled by IT systems which impacts key financial accounting and reporting items such as Brokerage income, Trade receivable ageing amongst others. The controls implemented by the Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting.</p> <p>We have focused on user access management, change management, segregation of duties, developer access to the production environment and changed to IT</p>	<p>Our key audit procedures with the involvement of our IT specialists included, but were not limited to, the following:</p> <ul style="list-style-type: none">• In relation to key accounting and financial reporting systems, we obtained an understanding of the Company's IT General Controls (ITGC), IT infrastructure and identified IT applications, databases and operating systems that are relevant to our audit. Also, obtained an understanding of key automated controls operating over such identified IT applications;• Obtained understanding of IT infrastructure i.e. operating systems and databases supporting the identified systems and related data security controls in relation to large number of users working on the entity's systems remotely in the light of COVID-19;

Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
<p>environment and data migration from one system to another system. Further, we also focussed on key automated controls relevant for financial reporting. Further, the prevailing COVID-19 situation has caused the required IT applications to be made accessible to the employees on a remote basis.</p> <p>(ii) System Migration of Broking operations system</p> <p>During the year ended 31 March, 2020; the Company has migrated to new Broking operations system from its erstwhile system for its broking and other related operations. Such significant system change increases the risk to the internal financial controls environment. These changes represent a financial reporting risk while migration takes place as controls and processes that have been established over the period are updated and migrated into a new environment.</p> <p>Accordingly, since our audit strategy has focused on key IT systems and controls due to pervasive nature including the complexity of the IT environment and included extensive testing of automated controls and general controls followed by significance of the activity involved in the migration process; we have determined the IT systems and controls as a key audit matter for current year audit.</p>	<ul style="list-style-type: none"> Tested the design and operating effectiveness of the Company's IT controls over IT applications as identified above; For the IT applications identified above, tested sample of key IT general controls particularly logical access, password management, change management and aspects of IT operational controls. Tested that requests for access to systems were appropriately reviewed and authorised; tested controls around Company's periodic review of access rights; inspected requests of changes to systems for appropriate approval and authorization; Tested related interfaces, configuration and other application layer controls identified during our audit and report logic for system generated reports relevant to the audit mainly for Brokerage income, Trade receivable ageing for evaluating completeness and accuracy; Where deficiencies were identified, tested compensating controls or performed alternative procedures. <p>System Migration</p> <ul style="list-style-type: none"> Reviewed data migration process followed by the Company with regard to migration of critical masters and accounts from erstwhile system to the new system; Evaluated the controls established by the management for the migration activity to ensure the activity has been completed appropriately; Evaluated the design and tested the operating effectiveness of key automated controls both before and after the migration, including IT general controls; Obtained an understanding of the cut off procedures which were followed surrounding the conversion activities. This included, assessment of impact on access privileges and segregation of duties and review of account balances for the completeness and accuracy of information.
<p>Valuation of Unquoted Equity investment carried at fair value</p> <p>Refer note 2.6 for significant accounting policies and note 55 for financial disclosures</p> <p>As at 31 March 2020, the Company held Investment in Shubham Housing Development Finance Company Private Limited amounting to ₹ 3,197 Lacs which represents 0.52% of the total asset of the Company as at 31 March 2020.</p> <p>The investment is not traded in the active market. The fair valuation of this investment is determined by a management-appointed independent valuation expert based on discounted cash flow method. The process of computation of fair valuation of investment include use of unobservable inputs and management judgements and estimates which are complex.</p>	<p>Our audit procedures in relation to valuation of investment with the involvement of our valuation experts included, but were not limited to, the following:</p> <p>Design/Controls:</p> <ul style="list-style-type: none"> Obtained a detailed understanding of the management's process and controls for determining the fair valuation of the investment. The understanding was obtained by performance of walkthroughs which included inspection of documents produced by the Company and discussion with those involved in the process of valuation; Evaluated the design and the operational effectiveness of relevant key controls over the valuation process, including the Company's review and approval of the

Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
<p>The key assumptions underpinning management's assessment of fair value of the investments, include application of liquidity discounts; calculation of discounting rates and the estimation of projections of revenues, projections of future cash flows, growth rates.</p> <p>The valuation of this investment was considered to be one of the areas which required significant auditor attention and was one of the matters of most significance in the standalone financial statements due to the materiality of total value of investments to the standalone financial statements and the complexity involved in the valuation of these investments.</p>	<p>estimates and assumptions used for the valuation including key authorization and data input controls, independent price verification performed by the management expert and model governance and valuation.</p> <p>Substantive tests:</p> <ul style="list-style-type: none"> Assessed the appropriateness of the valuation methodology of investment in accordance with the Company's policy and tested the mathematical accuracy of the management's model adopted for the investment; Obtained the valuation reports done by the management's expert and assessed the expert's competence, objectivity and independence in performing the valuation of this investment; Ensured the appropriateness of the carrying value of the investment in the financial statements and the gain or loss recognised in the financial statements as a result of such fair valuation; and Ensured the appropriateness of the disclosures in accordance with the applicable accounting standards Obtained written representations from the management and those charged with governance whether they believe significant assumptions used in valuation of the investments are reasonable.

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

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

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

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

8. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless

Independent Auditor's Report (Contd.)

management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
17. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
18. Further to our comments in Annexure I, 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 of our audit of the accompanying standalone financial statements;
 - 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

Independent Auditor's Report *(Contd..)*

- c) the standalone financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;
- f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 11 May 2020 as per Annexure II expressed unmodified opinion;
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 38(c) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai

Partner

Membership No.: 105782

UDIN: 20105782AAAADG7140

Place: Mumbai

Date : 11 May 2020

Independent Auditor's Report (Contd.)

Annexure I to the Independent Auditor's report of the Even Date to the members of Motilal Oswal Financial Services Limited on Standalone Financial Statement for the Year ended 31 March, 2020

ANNEXURE I

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

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

Statement of arrears of statutory dues outstanding for more than six months:

Name of the statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates	Due Date	Date of Payment
Indian Stamp Act, 1899	Stamp Duty	104	FY 2016-17	Not Available as Stamp Duty is collected in States where Payment and Levy Mechanism is not established.	Not paid as on 11 May 2020.
Indian Stamp Act, 1899	Stamp Duty	150	FY 2017-18		Not paid as on 11 May 2020
Indian Stamp Act, 1899	Stamp Duty	196	FY 2018-19		Not paid as on 11 May 2020
Indian Stamp Act, 1899	Stamp Duty	128	FY 2019-20		Not paid as on 11 May 2020

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

Independent Auditor's Report (Contd..)

Statement of Disputed Dues:

Name of the statute	Nature of due	Amount (₹ in Lacs)	Amount Paid under Protest (₹ in Lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	3	2	2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	16	3	2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2	–	2012-13	Income Tax Appellate Tribunal.
Income Tax Act, 1961	Income Tax	2	–	2013-14	Income Tax Appellate Tribunal.
Income Tax Act, 1961	Income Tax	52	19	2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1671	793	2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	206	68	2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	652	92	2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1056	137	2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	2457	14	2017-18	Commissioner of Income Tax (Appeals)

- (viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government or any dues to debenture-holders during the year.
- (ix) In our opinion, the Company has applied moneys raised by way of the term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer/ further public offer (including debt instruments).
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has made preferential allotment of shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, no amount has been raised from the preferential allotment of shares during the year, as the allotment was for the consideration towards acquisition of shares in Subsidiary companies, units of private equity funds and Partnership interest. During the year, the Company did not make private placement of shares, fully/partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai

Partner

Membership No.: 105782

UDIN: 20105782AAAADG7140

Place: Mumbai

Date : 11 May 2020

Independent Auditor's Report (Contd..)

Annexure II to the Independent Auditor's report of the Even Date to the members of Motilal Oswal Financial Services Limited on Standalone Financial Statement for the Year ended 31 March, 2020

ANNEXURE II

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Motilal Oswal Financial Services Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to the standalone financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

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

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

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

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

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

Independent Auditor's Report *(Contd..)*

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statement and such controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sudhir N. Pillai

Partner

Membership No.: 105782

UDIN: 20105782AAAADG7140

Place: Mumbai

Date : 11 May 2020

Balance Sheet

Particulars	Note	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
I. ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	4	67,668	25,799
(b) Bank balance other than (a) above	5	52,640	30,652
(c) Receivables			
(i) Trade receivables	6	47,831	1,18,413
(ii) Other receivables		820	12
(d) Loans	7	19,963	52,363
(e) Investments	8	3,78,019	3,09,495
(f) Other financial assets	9	13,325	3,300
Sub - total financial assets (A)		5,80,266	5,40,034
2. Non - financial assets			
(a) Current tax assets (net)	10	1,338	23
(b) Investment Property	11	7,813	8,279
(c) Property, plant and equipment	12A	20,785	18,424
(d) Intangible assets under development	12B	–	130
(e) Other intangible assets	12C	2,139	1,404
(f) Other non - financial assets	13	4,249	2,330
Sub - total non - financial assets (B)		36,324	30,590
Total assets (A+B)		6,16,590	5,70,624
II. LIABILITIES AND EQUITY			
Liabilities			
1. Financial liabilities			
(a) Payables			
(i) Trade payables			
(i) total outstanding dues of micro enterprise and small enterprise			
(ii) total outstanding dues of creditors other than micro enterprise and small enterprise	14	156,675	114,629
(ii) Other payables			
(i) total outstanding dues of micro enterprise and small enterprise			
(ii) total outstanding dues of creditors other than micro enterprise and small enterprise			
(b) Debt securities	15	106,659	39,771
(c) Borrowings (Other than debt securities)	16	36,313	102,180
(d) Deposits	17	12	5
(e) Other financial liabilities	18	29,199	37,115
Sub - total financial liabilities (A)		328,858	293,700
2. Non - financial liabilities			
(a) Current tax liabilities (net)	19	583	–
(b) Provisions	20	7,999	7,397
(c) Deferred tax liabilities (net)	21	1,161	8,986
(d) Other non - financial liabilities	22	1,575	1,185
Sub - total non - financial liabilities (B)		11,318	17,568
3. Equity:			
(a) Equity share capital	23	1,481	1,457
(b) Other equity	24	274,933	257,899
Sub - total equity (C)		276,414	259,356
Total Liabilities and equity (A+B+C)		616,590	570,624

The accompanying notes 1 to 64 form an integral part of the financial statements

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

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

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

Sudhir N. Pillai
Partner
Membership Number: 105782

Motilal Oswal
Managing Director and Chief executive officer
DIN : 00024503

Raamdeo Agarawal
Non-Executive Chairman
DIN : 00024533

Shalibhadra Shah
Chief Financial Officer

Kailash Purohit
Company Secretary

Place : Mumbai
Date : 11th May 2020

Place : Mumbai
Date : 11th May 2020

Statement of Profit and Loss

Particulars	Note	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-29 ₹ in Lakhs
REVENUE FROM OPERATIONS			
(i) Interest income	25	17,291	17,254
(ii) Dividend income	26	13,986	8,093
(iii) Rental income	27	2,084	2,482
(iv) Fees and commission income	28		
- Brokerage and fees income		79,538	71,035
- Other commission income		10,937	10,835
(v) Net gain on fair value changes	29	-	8,216
(vi) Other operating income	30	3,113	3,812
1) Total revenue from operations		126,949	121,727
2) Other income	31	3,690	3,142
3) Total Income (1 + 2)		130,639	124,869
EXPENSES			
(i) Finance cost	32	12,924	10,428
(ii) Fees and commission expense	33	33,310	31,832
(iii) Impairment on financial instruments	34	1,439	681
(iv) Net loss on fair value changes	29	15,849	-
(v) Employee benefits expense	35	31,171	27,906
(vi) Depreciation, amortisation and impairment	36	2,984	1,801
(vii) Other expenses	37	13,552	12,871
4) Total expenses		111,229	85,519
5) Profit before tax (3 - 4)		19,410	39,350
Profit before tax from continuing operations		19,410	39,350
Tax expense	54		
(i) Current tax		7,056	8,914
(ii) Deferred tax credit		(7,326)	(1,927)
6) Total tax expenses		(270)	6,987
7) Profit after tax from continuing operations (5-6)		19,680	32,363
Loss from discontinuing operations before tax		-	(186)
Tax on discontinuing operations		-	54
8) Loss from discontinuing operations after tax		-	(132)
9) Profit for the period (7+8)		19,680	32,231
Other comprehensive income / (loss)			
(i) Items that will not be reclassified to profit or loss			
(a) Actuarial gain / (loss) on post retirement benefit plans		57	35
(b) Fair value gain / (loss) of investment		(4,489)	(737)
(c) Tax impact on the above		499	74
10) Other comprehensive income / (loss)		(3,933)	(628)
Total comprehensive income for the period (9 + 10)		15,747	31,603
Earnings per share for continuing operations (Face Value ₹ 1 per equity share)	41		
Basic (amount in ₹)		13.39	22.25
Diluted (amount in ₹)		13.09	21.65
Loss per share for discontinued operations (Face Value ₹ 1 per equity share)			
Basic (amount in ₹)		-	(0.09)
Diluted (amount in ₹)		-	(0.09)

The accompanying notes 1 to 64 form an integral part of the financial statements

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

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

Sudhir N. Pillai
Partner
Membership Number: 105782

Place : Mumbai
Date : 11th May 2020

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

Motilal Oswal
Managing Director and Chief executive officer
DIN : 00024503
Shalibhadra Shah
Chief Financial Officer
Place : Mumbai
Date : 11th May 2020

Raamdeo Agarawal
Non-Executive Chairman
DIN : 00024533
Kailash Purohit
Company Secretary

Cash Flow Statement

Particulars	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	19,410	39,164
Adjustment for:		
Net loss/(gain) on fair value change	28,188	6,467
Employee stock option scheme cost	1,323	1,580
Interest Expense	261	–
Depreciation, amortisation and impairment	2,984	1,801
Dividend income	(13,986)	(8,093)
Profit on sale of investment	(12,339)	(14,278)
Provision for diminution in value of investments	–	5
Gain on partnership firm	(89)	(959)
Profit on sale of Property, plant and equipment(net)	(93)	–
Impairment on financial instruments	1,439	676
Operating profit before working capital changes	27,098	26,363
Adjustment for working capital changes		
1) Increase/(decrease) in provision	660	(2,569)
2) Increase/(decrease) in borrowings	(65,867)	20,585
4) Increase/(decrease) in other financial liabilities	(10,266)	10,596
5) Increase/(decrease) in trade payables	42,046	17,020
6) (Increase)/decrease in loans	32,400	56,635
7) Increase/(decrease) in debt securities	66,887	(41,457)
8) (Increase)/decrease in other non financial liabilities	390	747
9) (Increase)/decrease in other financial assets	(9,895)	(992)
10) (Increase)/decrease in other non financial asset	(1,868)	(687)
11) (Increase)/decrease in trade receivables	68,334	(44,305)
12) (Increase)/decrease in fixed deposit	(21,963)	(25,428)
13) (Increase)/decrease in liquid investment	(41,768)	26,920
Cash generated from operations	86,188	43,428
Direct taxes paid (net)	(7,788)	(7,811)
Net cash generated from operating activities of continuing operations	78,400	35,617
Net cash generated from operating activities of discontinuing operations	–	(4,997)
Net cash generated from operating activities (A)	78,400	30,620
B. CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of investment	6,864	31,816
Purchase of equity shares in subsidiary company	(25,380)	(30,989)
Purchase of Investments	(19,429)	(16,923)
Purchase of Property, plant and equipment	(4,853)	(1,084)
Sale of Property, plant and equipment	162	–
Sale of Investment Property	397	–
Purchase of intangibles and intangible asset under development	(1,278)	(894)
Dividend Income	13,986	8,093
Net cash generated from financing activities of continuing operations	(29,531)	(9,981)
Net cash generated from financing activities of discontinuing operations	–	(3)
Net cash generated from investing activities (B)	(29,531)	(9,984)

Cash Flow Statement (Contd.)

Particulars	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES		
Cash Payment of lease liability and interest	(1,092)	–
Increase in lease liabilities (net)	3,182	–
Proceeds from issue of equity shares	11	6
Proceeds from deposits received	3,410	1,446
Proceeds of deposits received	6	(1,187)
Dividend paid (including Dividend distribution tax)	(12,493)	(13,422)
Increase / (decrease) in Unpaid Dividend	(24)	3
Net cash used in financing activities (C)	(7,000)	(13,154)
Net increase in cash and cash equivalents during the year (A +B +C)	41,869	7,482
Cash and cash equivalents as at beginning of the year		
Cash in hand	31	27
Cheque on hand	–	–
Scheduled bank - In current account	14,993	18,048
Fixed deposit with banks (Maturity within 3 months)	10,775	242
Total	25,799	18,317
Cash and cash equivalents as at end of the year :		
Cash in hand	26	31
Cheque on hand	–	–
Scheduled bank - In current account	31,064	14,993
Fixed deposit with banks (Maturity within 3 months)	36,578	10,775
Total	67,668	25,799
Reconciliation of cash and cash equivalents as above with cash and bank balances		
Cash and cash equivalents as at end of the year as per above	31,090	15,024
Add:- Fixed deposit with banks (Maturity within 3 months)	36,578	10,775
Total Cash and bank balances equivalents as at end of the year	67,668	25,799

Notes :

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

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

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

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

Sudhir N. Pillai
Partner
Membership Number: 105782

Motilal Oswal
Managing Director and Chief executive officer
DIN : 00024503

Raamdeo Agarawal
Non-Executive Chairman
DIN : 00024533

Shalibhadra Shah
Chief Financial Officer

Kailash Purohit
Company Secretary

Place : Mumbai
Date : 11th May 2020

Place : Mumbai
Date : 11th May 2020

Statement of Changes in Equity

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

(a) Equity share capital

Particulars	Equity share capital	
	Number of shares	Amount ₹ in Lakhs
As at 01 April 2018	14,50,83,558	1,451
Changes during the year due to exercise of ESOS	5,96,000	6
As at 01 April 2019	14,56,80,358	1,457
Changes during the year due to exercise of ESOS	10,55,432	11
Changes during the year due to preferential issue	13,30,928	13
As at 31 March 2020	14,80,66,718	1,481

(b) Other Equity

₹ in Lakhs

Particulars	Reserves and Surplus								Other comprehensive income		Total
	Capital Redemption Reserve	Capital Reserve	Securities Premium	Share based payment reserve	Statutory Reserves (under Sec 451C of RBI Act, 1934)	General reserve	Debenture redemption reserve	Retained earnings	Equity instruments through other comprehensive income	Actuarial gain/(losses) on post retirement benefit plans	
Balance as at 01 April 2018	71	14	48,766	2,739	12,124	4,420	1,558	155,973	10,692	335	236,692
Due to exercise of options	-	-	891	-	-	-	-	-	-	-	891
Additions during the year	-	-	1,446	1,580	-	12,124	1,795	32,231	(653)	25	48,548
Transfer to general reserve	-	-	-	-	(12,124)	-	-	-	-	-	(12,124)
Transfer to debenture redemption reserve	-	-	-	-	-	(1,795)	-	-	-	-	(1,795)
Dividends	-	-	-	-	-	-	-	(13,422)	-	-	(13,422)
Transfer to Securities premium	-	-	-	(891)	-	-	-	-	-	-	(891)
Balance as at 31 March 2019	71	14	51,103	3,428	-	14,749	3,353	174,782	10,039	360	257,899
Balance as at 01 April 2019	71	14	51,103	3,428	-	14,749	3,353	174,782	10,039	360	257,899
Due to exercise of options	-	-	1,018	-	-	-	-	-	-	-	1,018
Additions during the year	-	-	12,457	1,323	-	3,353	-	19,680	(3,976)	43	32,880
Transfer to general reserve	-	-	-	-	-	-	(3,353)	-	-	-	(3,353)
Dividends	-	-	-	-	-	-	-	(12,493)	-	-	(12,493)
Transfer to Securities premium	-	-	-	(1,018)	-	-	-	-	-	-	(1,018)
Balance as at 31 March 2020	71	14	64,578	3,733	-	18,102	-	181,969	6,063	403	274,933

The accompanying notes 1 to 64 form an integral part of the financial statements

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

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

Sudhir N. Pillai
Partner
Membership Number: 105782

Motilal Oswal
Managing Director and Chief executive officer
DIN : 00024503

Raamdeo Agarawal
Non-Executive Chairman
DIN : 00024533

Shalibhadra Shah
Chief Financial Officer

Kailash Purohit
Company Secretary

Place : Mumbai
Date : 11th May 2020

Place : Mumbai
Date : 11th May 2020

Notes to Financial Statement

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1: CORPORATE INFORMATION

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

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

The Financial statements were approved for issuance by the Company’s Board of Director on 11 May 2020.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

2.1 Basis of preparation

(i) Compliance with Ind AS

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

The financial statements have been prepared using the significant accounting policies and measurement bases summarized as below. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Historical cost convention

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

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

(iii) Preparation of financial statements

The Company is covered in the definition of Non-Banking Financial Company as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division III of Schedule III to the Companies Act, 2013 on 11 October 2018, the Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 58.

(iv) Use of estimates and judgments

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

Notes to Financial Statement *(Contd..)*

(v) Determining whether an arrangement contains a lease

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

2.2 Revenue Recognition

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

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

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

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

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

(i) Brokerage fee income

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

(ii) Research and advisory income

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

(iii) Interest income

Interest income is recognized on accrual basis.

(iv) Dividend income

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

(v) Portfolio management commission income

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

(vi) Rental income

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

(vii) Profit and loss from partnership firm / LLP

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

Notes to Financial Statement *(Contd..)*

2.3 Income Tax

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

Current Tax

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

Deferred Tax

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

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

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

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

2.4 Leases

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

The Company has adopted Ind AS 116 "Leases" using the cumulative catch-up approach. Company has recognized Right of Use assets as at 1 April 2019 for leases previously classified as operating leases and measured at an amount equal to lease liability (adjusted for related prepayments/ accruals). The Company has discounted lease payments using the incremental borrowing rate for measuring the lease liability.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in Statement of profit and loss on a straight-line basis over the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease

Notes to Financial Statement *(Contd.)*

liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in statement of profit and loss.

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract

2.5 Cash and cash equivalents

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

2.6 Financial instruments

Initial recognition and measurement:

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

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

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

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

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

Fair value of financial instruments:

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

Fair value measurements under Ind AS are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at measurement date
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs) that the Company can access at measurement date.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 55.

Notes to Financial Statement *(Contd..)*

Financial assets

(i) Classification and subsequent measurement

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

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

1. Financial assets carried at amortised cost

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

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

2. Equity instruments

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

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

3. Investments in mutual funds

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

(ii) Impairment

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

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

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

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

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

(iii) Derecognition

A financial asset is derecognised only when:

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

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

Notes to Financial Statement (Contd.)

transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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

Financial liabilities

(i) Initial recognition and measurement

All financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

(ii) Subsequent measurement

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

(iii) Derecognition

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

2.7 Offsetting financial instruments

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

2.8 Financial guarantee contracts and loan commitments

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

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

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

2.9 Property, plant and equipment

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

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

Depreciation methods, estimated useful lives and residual value

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

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

Notes to Financial Statement *(Contd..)*

Derecognition:

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

2.10 Intangible assets

Measurement at recognition:

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

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

Assets	Useful life
Computer Software	5 years

Derecognition:

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

2.11 Investment Property

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

2.12 Impairment of non-financial assets

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

2.13 Provisions and contingencies:

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

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

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of

Notes to Financial Statement *(Contd.)*

the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.14 Employee benefits

(i) Short-term obligations

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

(ii) Post-employment obligations

Defined contribution plan:

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

Defined benefits plan:

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

(iii) Other long-term employee benefits obligations

Heritage club benefit

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

Compensated absences

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

2.15 Share-based payments

Employee Stock Option Scheme (ESOS)

The Employees Stock Options Scheme ("the Scheme") has been established by the Company. The Scheme provides that employees are granted an option to subscribe to equity share of the Company that vests on the satisfaction of vesting conditions. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions. Information about the valuation techniques and inputs used in determining the sale value of assets and liabilities disclosed in note 53.

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

2.16 Foreign currency translation

(i) Functional and presentation currency

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

Notes to Financial Statement *(Contd..)*

(ii) Translation and balances

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

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

2.17 Dividends

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

2.18 Earnings per share

a) Basic earnings per share

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

b) Diluted earnings per share

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

2.19 Rounding of amounts

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

2.20 Events after reporting date

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

2.21 Recent accounting developments

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

NOTE 3 : KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on ongoing basis. Any changes to accounting estimates are recognized prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

- (a) Provision and contingent liability: On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.
- (b) Allowance for impairment of financial asset: The Company applies expected credit loss model (ECL) for measurement and recognition of impairment loss. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. At each reporting date, the Company assesses whether the loans

Notes to Financial Statement *(Contd..)*

have been impaired. The Company is exposed to credit risk when the customer defaults on his contractual obligations. For the computation of ECL, the loan receivables are classified into three stages based on the default and the aging outstanding. The Company recognises life time expected credit loss for trade receivables and has adopted simplified method of computation as per Ind AS 109. The Company considers outstanding overdue for more than 90 days for calculation of expected credit loss.

- (c) Recognition of deferred tax assets: Deferred tax assets are recognised for unused tax-loss carry forwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.
- (d) Defined benefit plans: The cost of defined benefit plans and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long - term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- (e) Stock based compensation: The Company account for stock-based compensation by measuring and recognizing as compensation expense the fair value of all share-based payment awards made to employees based on estimated grant date fair values. The determination of fair value involves a number of significant estimates. The Company uses the Black Scholes option pricing model to estimate the value of employee stock options which requires a number of assumptions to determine the model inputs. These include the expected volatility of Company's stock and employee exercise behavior which are based on historical data as well as expectations of future developments over the term of the option. As stock-based compensation expense is based on awards ultimately expected to vest. Management's estimate of exercise is based on historical experience but actual exercise could differ materially as a result of voluntary employee actions and involuntary actions which would result in significant change in our stock-based compensation expense amounts in the future.
- (f) Property, plant and equipment and Intangible Assets: Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.
- (g) Leases - The Company evaluates if an arrangement qualifies to be a lease as per IND AS 116.
- The Company determines lease term as a non-cancellable period of a lease, together with both the period covered by an option to extend the lease if the Company is reasonably certain to exercise lessee options.
 - The determination of the incremental borrowing rate used to measure lease liabilities.

NOTE 4 : CASH AND CASH EQUIVALENTS

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Cash on hand	26	31
Balance with banks		
- In current accounts	31,064	14,993
- Fixed deposit with banks (Maturity within 3 months)	36,578	10,775
Total	67,668	25,799

Notes to Financial Statement (Contd..)

NOTE 5 : BANK BALANCE OTHER THAN (4) ABOVE

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Earmarked balances (unpaid dividend account)	44	19
Fixed deposit with banks (with original maturity more than 3 months)*	44,902	24,939
Fixed deposits (maturity more than 12 months)*	7,694	5,694
	<u>52,640</u>	<u>30,652</u>

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

NOTE 6 : RECEIVABLES

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Trade receivables		
Considered good - secured*	33,671	83,622
Considered good - unsecured	15,263	35,854
Less: Allowances for impairment losses	(1,103)	(1,063)
	<u>47,831</u>	<u>118,413</u>
Other receivables		
Rent Receivables others	—	—
Receivable from subsidiary companies	820	12
Total	<u>820</u>	<u>12</u>

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

*Secured against securities given as collateral by the customer

NOTE 7 : LOANS

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Loans - At amortised cost		
(A) Others		
Loans repayable on demand	14	14
Loan to employees	167	179
Margin trading facility	19,849	47,562
Loans to related parties (subsidiaries)	—	4,626
Less : Impairment loss allowance	(67)	(18)
Total (A) Net	<u>19,963</u>	<u>52,363</u>

Notes to Financial Statement (Contd.)

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
(B) Secured / Unsecured		
Secured by tangible assets	19,849	47,562
Unsecured	181	4,819
Less : Impairment loss allowance	(67)	(18)
Total (B) Net	19,963	52,363
C) Loans in India		
Public sector	–	–
Others	20,030	52,381
Less : Impairment loss allowance	(67)	(18)
Total (C) Net	19,963	52,363
Stage wise break up of loans		
(i) Low credit risk (Stage 1)	19,963	52,363
(ii) Significant increase in credit risk (Stage 2)	–	–
(iii) Credit impaired (Stage 3)	–	–
Total	19,963	52,363

NOTE 8 : INVESTMENTS

Particulars	Subsidiary/ others	Shares / Units		Amount as at	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
		Number	Number	₹ in Lakhs	₹ in Lakhs
1) Investment at amortised cost					
(a) Investment in subsidiaries					
Motilal Oswal Finvest Limited	Subsidiary	4,93,60,089	2,94,76,206	55,035	30,035
Motilal Oswal Securities International Private Limited	Subsidiary	45,69,200	45,69,200	457	457
Motilal Oswal Wealth Management Limited	Subsidiary	8,13,200	8,00,000	1,521	1,226
Motilal Oswal Asset Management Company Limited	Subsidiary	66,81,63,624	65,00,00,000	13,981	6,501
Motilal Oswal Trustee Company Limited	Subsidiary	1,00,000	1,00,000	10	10
Motilal Oswal Capital Markets (Honkong) Private Limited	Subsidiary	60,00,000	60,00,000	412	412
Motilal Oswal Capital Markets (Singapore) Pte. Limited	Subsidiary	13,61,111	13,61,111	1,041	1,041
Motilal Oswal Home Finance Limited (Formerly known as Aspire Home Finance Corporation Limited)	Subsidiary	4,83,62,67,897	4,83,62,67,897	56,633	56,633
Motilal Oswal Commodities Brokers Private Limited	Subsidiary	4,10,044	4,10,044	90	90
Motilal Oswal Investment Advisors Limited	Subsidiary	10,00,000	10,00,000	4,137	4,137
MOPE Investment Advisors Private Limited	Subsidiary	51,274	50,000	1,260	5
Motilal Oswal Fincap Private Limited	Subsidiary	30,00,000	30,00,000	300	300
Glide Tech Investment Advisory Private Limited	Subsidiary	10,00,000	–	100	–
Motilal Oswal Finsec IFSC Ltd	Subsidiary	24,00,000	–	240	–
Total				135,217	100,847
(b) Investment in equity shares					
Shubham Housing Development Finance Company Private Limited	Others	21,377	21,377	462	265
Shriram New Horizons Limited	Others	7,50,000	7,50,000	1,013	1,013
Central Depository Services India Limited	Others	100	100	0	0
Total				1,475	1,278

Notes to Financial Statement *(Contd..)*

Particulars	Subsidiary/ others	Shares / Units		Amount as at	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
		Number	Number	₹ in Lakhs	₹ in Lakhs
(c) Investment in preference shares and debentures					
Compulsory Convertible preference shares of Shubham Housing Development Finance Company Private Limited	Others	2,20,260	2,20,260	2,735	2,735
Total				2,735	2,735
2) Investment at fair value through other comprehensive income					
Investment in equity shares					
AU Finance (India) Limited*	Others	32,81,796	32,81,796	16,584	19,546
Investment through Portfolio Management Services (PMS)					
Bajaj Finance Ltd.	Others	5,075	–	112	–
City Union Bank Ltd.	Others	1,71,016	–	221	–
Federal Bank Limited	Others	1,86,835	–	77	–
ICICI Bank Ltd	Others	97,402	–	315	–
J&k Bank	Others	1,09,353	–	14	–
Kotak Mahindra Bank Ltd.	Others	63,211	–	819	–
Max Financial Service Ltd.	Others	62,453	–	240	–
Colgate Palmolive (India) Limited	Others	14,203	–	178	–
Emami Limited	Others	42,176	–	72	–
Glaxosmithkline Consumer Healthcare Ltd	Others	2,637	–	263	–
Page Industries Ltd.	Others	2,686	–	456	–
Godrej Indus	Others	49,711	–	141	–
Voltas Ltd	Others	1,14,731	–	547	–
Alkem Laboratories Ltd.	Others	8,431	–	196	–
Ipca lab Ltd.	Others	23,748	–	331	–
Bharat Forge Ltd.	Others	44,601	–	105	–
Bosch Ltd.	Others	1,582	–	149	–
Eicher Motors Ltd.	Others	1,583	–	207	–
L&T technology Services Ltd.	Others	19,835	–	230	–
Tech Mahindra Limited	Others	34,954	–	198	–
AEGIS Logistics Limited	Others	76,167	–	106	–
Hindustan Petroleum Corporation Ltd.	Others	73,780	–	140	–
Container Corporation of India Ltd.	Others	38,560	–	128	–
Bayer Cropsience Limited	Others	3,125	–	108	–
Cummins India Ltd.	Others	22,498	–	74	–
Engineers In	Others	46,627	–	28	–
Cash & Cash Equivalent	Others	–	–	19	–
Total				22,058	19,546
3) Investment at fair value through profit and loss					
(a) Investments in real estate funds					
India Realty Excellence Fund II LLP	Others	–	–	3,525	4,504
India Realty Excellence Fund III	Others	99,91,452	97,92,497	11,824	10,208
India Realty Excellence Fund IV	Others	65,00,000	35,00,000	6,932	3,500
Contrarian Vriddhi Fund I LLP	Others	1,000	1,000	180	138
Total				22,461	18,350
(b) Investment in units of mutual funds					
Motilal Oswal MoSt Focused 25 Fund	Others	4,11,08,111	4,11,08,111	8,357	9,556
Most Focused 30 Fund	Others	7,41,14,633	7,41,14,633	15,377	20,095
Most Shares N100 ETF	Others	18,330	18,330	108	91

Notes to Financial Statement (Contd.)

Particulars	Subsidiary/ others	Shares / Units		Amount as at	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
		Number	Number	₹ in Lakhs	₹ in Lakhs
Most Focused Multicap 35 Fund Growth	Others	12,88,76,056	13,68,23,821	26,569	37,231
Most Shares M50 ETF	Others	59,499	59,499	50	67
MOST Shares Midcap 100 ETF	Others	5,07,650	5,07,650	64	95
Most Focused Long Term Fund	Others	1,90,816	1,90,816	28	35
Motilal Oswal Nifty Midcap 150 Index Fund - Direct Growth Option	Others	3,53,715	–	28	–
Motilal Oswal Nifty 500 Fund - Direct Growth Option	Others	92,658	–	7	–
Motilal Oswal Nifty Bank Index Fund - Direct Growth Option	Others	22,044	–	2	–
Motilal Oswal Nifty Smallcap 250 Index Fund - Direct Growth Option	Others	19,498	–	1	–
Motilal Oswal Nifty 50 Index Fund - Direct Growth Option	Others	2,00,704	–	14	–
Motilal Oswal Nifty Next 50 Index Fund - Direct Growth Option	Others	69,847	–	5	–
Total				50,610	67,170
(c) Investment in alternative investment funds					
Motilal Oswal Focused Growth Opportunities Fund	Others	72,80,244	72,80,244	785	1,100
Motilal Oswal Focused Growth Opportunities Fund (Carry units)	Others	25,287	25,287	5	7
Motilal Oswal Focused Multicap Opportunities Fund	Others	1,01,72,664	1,01,72,664	749	1,103
Motilal Oswal Focused Multicap Opportunities Fund (Carry units)	Others	82,500	82,500	6	9
Motilal Oswal Select Opportunities Fund	Others	1,00,85,273	99,85,273	930	1,086
Motilal Oswal Select Opportunities Fund (Carry units)	Others	1,00,000	1,00,000	10	11
Motilal Oswal Focused Business Advantage Fund	Others	1,00,00,000	1,00,00,000	991	1,179
Motilal Oswal Focused Business Advantage Fund (Carry units)	Others	1,00,000	1,00,000	12	12
Motilal Oswal Focused Emergence Fund	Others	1,17,19,700	1,17,19,700	599	961
Motilal Oswal Rising India Fund	Others	97,49,870	97,49,870	909	1,033
Motilal Oswal Select Opportunities Fund Series II	Others	30,00,000	–	218	–
Motilal Oswal Equity Opportunities Fund	Others	81,18,297	–	649	–
Total				5,863	6,501
(d) Investment in private equity funds					
India Business Excellence Fund I	Others	475	475	4,601	6,058
India Business Excellence Fund II	Others	6,82,500	6,82,500	7,810	10,265
India Business Excellence Fund II (Carry units)	Others	1,022	997	10	10
India Business Excellence Fund III	Others	29,76,095	29,76,095	15,461	12,717
Total				27,882	29,050
Total (I)				268,301	245,477
(e) Investment in units of liquid mutual funds					
Reliance Liquid Fund - Treasury Plan - Growth Plan - Growth Option	Others	–	3,19,337	–	12,598
Reliance Liquidity Fund - Growth Plan - Growth Option	Others	–	2,24,102	–	1,897
Reliance Banking and PSU Debt Direct Growth Fund	Others	–	13,29,06,806	–	18,067
Reliance Medium Term Fund - Direct Growth Plan - Growth Option	Others	–	1,51,18,164	–	6,062
Birla Sunlife Cash Plus Direct Plan Growth	Others	28,14,162	28,14,162	8,993	8,455
ICICI pru money market - Direct plan	Others	44,78,928	18,71,220	13,158	5,172
Kotak floater short term - Direct plan Growth	Others	2,63,772	1,36,066	10,590	5,149
UTI money market fund - Direct Growth	Others	–	1,71,136	–	5,238

Notes to Financial Statement (Contd..)

Particulars	Subsidiary/ others	Shares / Units		Amount as at	
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
		Number	Number	₹ in Lakhs	₹ in Lakhs
HDFC Liquid Fund -Direct Plan - Growth Option	Others	4,62,880	69,999	18,083	2,575
HDFC Overnight Fund - Direct Plan - Growth	Others	3,36,837	–	10,002	–
SBI Savings Fund Direct Plan Growth	Others	1,54,53,896	–	5,002	–
SBI Liquid Fund Direct Plan Growth	Others	3,21,835	–	10,006	–
Nippon India Liquid Fund Direct Plan Growth Plan	Others	2,06,307	–	10,007	–
Nippon India Overnight Fund Direct Growth Plan	Others	93,30,743	–	10,002	–
Mirae Asset Cash Management Fund - Direct Plan - Growth	Others	1,19,427	–	2,502	–
Axis Liquid Direct Fund - Growth	Others	4,56,713	–	10,067	–
L&T Liquid Fund Direct Plan Growth Option	Others	91,928	–	2,501	–
Total (II)				110,913	65,213
Total (I+II) (A)				3,79,214	310,690
Investment in India				377,761	309,237
Investment Outside India				1,453	1,453
Total (B)				379,214	310,690
Less Allowance for impairment loss				1,195	1,195
Total				378,019	309,495

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

NOTE 9 : OTHER FINANCIAL ASSETS

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Electricity and other deposits	1,206	978
Deposits with exchange	11,453	1,673
Receivable from exchanges	666	649
Total	13,325	3,300

NOTE 10 : CURRENT TAX ASSETS (NET)

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Advance tax (Net of provision)	1,338	23
Total	1,338	23

NOTE 11 : INVESTMENT PROPERTY

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Balance at the beginning of the year	8,279	7,764
Addition during the year	–	570
Deduction during the year	(410)	–
Depreciation for the year	(56)	(55)
Total	7,813	8,279

Notes to Financial Statement (Contd.)

Fair value of Investment property

Building

23,854

15,815

Estimation of fair value

The fair value of investment property have been determined by an independent valuer, who has professional experience as well as adequate expertise in the location and category of the investment property. The value is determined based on the rate prescribed by government authorities for commercial property. The resultant fair value estimates for investment property is included in level 2.

Amounts recognised in the statement of profit and loss in relation to investment

Rental Income from investment property (Refer note 27)

2,084

2,482

Direct operating expenses arising from investment property that generated rental income during the period

–

–

Direct operating expenses arising from investment property that did not generate rental income during the period

–

–

NOTE 12 : PROPERTY PLANT AND EQUIPMENTS

Current year

(₹ in Lakhs)

Particulars	Gross block				Accumulated depreciation / amortization				Net block	
	Balance as at 1-Apr-19	Additions	Disposals	Balance As at 31-Mar-20	Balance as at 1-Apr-19	Additions	Disposals	Balance As at 31-Mar-20	Balance As at 31-Mar-19	Balance As at 31-Mar-20
Property, plant and equipment										
Land	2,667	–	–	2,667	–	–	–	–	2,667	2,667
Buildings	19,217	443	110	19,550	6,412	510	5	6,917	12,805	12,633
Plant and machinery	7,261	692	–	7,953	5,694	505	–	6,199	1,566	1,754
Furniture and fixtures	2,390	159	–	2,549	1,692	89	–	1,781	698	768
Vehicles	799	58	–	857	523	72	–	595	276	262
Office equipments	3,684	320	–	4,004	3,273	201	–	3,474	412	530
Right of use(Office Premise)	–	3,181	–	3,181	–	1,010	–	1,010	–	2,171
Total (A)	36,018	4,853	110	40,761	17,594	2,387	5	19,976	18,424	20,785
Intangible assets under development	–	–	–	–	–	–	–	–	–	–
Total (B)	–	–	–	–	–	–	–	–	–	–
Intangible assets										
Goodwill	90	–	–	90	90	–	–	90	–	–
Computer software	4,584	852	–	5,436	3,180	534	–	3,714	1,404	1,722
BSE / MCX Cards	648	–	–	648	648	–	–	648	–	–
Custom Right	684	424	1,108	684	7	–	691	–	417	–
Total (C)	6,006	1,276	–	7,282	4,602	541	–	5,143	1,404	2,139
Total (A) + (B)+(C)	42,024	6,129	110	48,043	22,196	2,928	5	25,119	19,828	22,924

Previous Year

(₹ in Lakhs)

Particulars	Gross block				Accumulated depreciation / amortization				Net block	
	Balance as at 1-Apr-18	Additions	Disposals	Balance As at 31-Mar-19	Balance as at 1-Apr-18	Additions	Disposals	Balance As at 31-Mar-19	Balance As at 31-Mar-18	Balance As at 31-Mar-19
Property, plant and equipment										
Land	2,667	–	–	2,667	–	–	–	–	2,667	2,667
Buildings	19,791	193	768	19,217	6,011	545	144	6,412	13,780	12,805

Notes to Financial Statement (Contd..)

Particulars	Gross block			Accumulated depreciation / amortization				Net block		
	Balance as at 1-Apr-18	Additions	Disposals	Balance As at 31-Mar-19	Balance as at 1-Apr-18	Additions	Disposals	Balance As at 31-Mar-19	Balance As at 31-Mar-18	Balance As at 31-Mar-19
Plant and machinery	6,912	349	–	7,261	5,553	142	–	5,694	1,359	1,566
Furniture and fixtures	2,347	43	–	2,390	1,583	109	–	1,692	764	698
Vehicles	612	187	–	799	458	65	–	523	154	276
Office equipments	3,369	315	–	3,684	2,830	443	–	3,273	539	412
Total (A)	35,698	1,087	768	36,018	16,435	1,304	144	17,594	19,263	18,424
Intangible assets under development	–	130	–	130	–	–	–	–	–	130
Total (B)	–	130	–	130	–	–	–	–	–	130
Intangible assets										
Goodwill	90	–	–	90	90	–	–	90	–	–
Computer software	3,820	764	–	4,584	2,736	444	–	3,180	1,085	1,404
BSE / MCX Cards	648	–	–	648	648	–	–	648	–	–
Custom Right	684	–	–	684	684	–	–	684	–	–
Total (C)	5,242	764	–	6,006	4,157	444	–	4,602	1,085	1,404
Total (A) + (B) + (C)	40,940	1,981	768	42,154	20,592	1,748	144	22,196	20,348	19,958

NOTE 13 : OTHER NON-FINANCIAL ASSETS

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Capital advances	466	144
For supply of services	1,180	629
Prepaid expenses	504	409
Others	1,160	70
Tax receivables	939	1,078
Total	4,249	2,330

NOTE 14 : PAYABLES

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Trade payables		
(i) total outstanding dues of micro enterprise and small enterprise (Refer note no. 45)	–	–
(ii) total outstanding dues of creditors other than micro enterprise and small enterprise	156,675	114,629
Total	156,675	114,629

Notes to Financial Statement (Contd.)

NOTE 15 : DEBT SECURITIES

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
At Amortised cost		
Commercial paper (Unsecured)		
(i) from banks	—	—
(ii) from other parties	91,659	19,771
Others (Secured)		
Redeemable non-convertible debenture*	15,000	20,000
Total (A)	106,659	39,771
Debt securities in India	106,659	39,771
Debt securities outside India	—	—
Total (B)	106,659	39,771

*Redeemable non-convertible debenture

Series C - 150 Crores, Redemption date - 3 July 2020, Coupon rate - 8.53% PA

Assets Cover available in case of Non Convertible Debt Securities :

- i) First Gala no. L- 105 on first floor, Rajlaxmi Commercial Complex, Village Klaher, Taluka Bhiwandi (District Thane) admeasuring about 1718 square feet built up equivalent to 159.66 sq mt.
- ii) The Loan receivables of the Company of both present and future to the extent of required security cover.
- iii) Mutual fund investment by the Company of both present and future to the extent of required security cover.
- iv) Units of Private Equity funds owned by the Company.

NOTE 16 : BORROWINGS (OTHER THAN DEBT SECURITIES)

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
At Amortised cost		
Term loans		
(i) from banks (secured)*#	6,500	9,000
(ii) from other parties(secured)*	10,000	—
Demand loans		
(i) from banks (secured)*	11,433	88,180
(ii) from other parties(secured)*	—	5,000
(iii) from related parties(unsecured)	8,380	—
	36,313	102,180
Borrowing in India	36,313	102,180
Borrowing outside India	—	—
Total	36,313	102,180

* Term loan from banks is secured against units of mutual funds and approved list of shares and securities. Demand loans from banks and other parties are secured against the property, plant and equipment and trade receivables of the company respectively.

It consists of loan of ₹ 6,500 Lakhs from Kotak Mahindra Bank Limited which is repayable on 12 June 2020 and secured against units of mutual funds and approved list of shares and securities

Notes to Financial Statement (Contd..)

NOTE 17 : DEPOSITS

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Security deposit (against premises given on lease)	12	5
Total	12	5

NOTE 18 : OTHER FINANCIAL LIABILITIES

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Margin money	22,006	31,565
Interest accrued but not due on borrowings	946	1,044
Unpaid dividend	44	36
Accrued salaries and benefits	62	25
Other payables (includes payable to vendors)	2,818	3,021
Other provisions (includes provision for expenses)	897	1,305
Book overdraft	76	119
Lease liability (Refer note 43)	2,350	-
Total	29,199	37,115

NOTE 19 : CURRENT TAX LIABILITIES

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Provision for income taxes	583	-
Total	583	-

NOTE 20 : PROVISIONS

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Provision for employee benefits		
Compensated absences	462	72
Gratuity and heritage obligation (Refer note 42)	1,756	1,481
Service charges	21	21
ExGratia / Incentive payable (Refer note 42)	5,760	5,823
Total	7,999	7,397

NOTE 21 : DEFERRED TAX LIABILITIES (NET)

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Deferred Tax Liabilities (net) (refer note 54)	1,161	8,986
Total	1,161	8,986

Notes to Financial Statement (Contd.)

NOTE 22 : OTHER NON-FINANCIAL LIABILITIES

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Advance received from customers	1,575	1,185
Total	1,575	1,185

NOTE 23 : SHARE CAPITAL

	As at 31-Mar-20		As at 31-Mar-19	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
Authorised				
Equity shares of ₹ 1 each (previous year ₹ 1 each)	92,50,00,000	9,250	92,50,00,000	9,250
Preference shares of ₹ 100 (Previous year ₹ 100 each)	56,50,000	5,650	56,50,000	5,650
	93,06,50,000	14,900	93,06,50,000	14,900
Issued, subscribed and paid up				
Equity shares of ₹ 1 each fully paid up (previous year ₹ 1 each)	14,80,66,718	1,481	14,56,80,358	1,457
Of the above, 8,49,21,363 shares (Previous year 8,03,43,667) held by holding company Passionate Investment Management Private Limited				
	14,80,66,718	1,481	14,56,80,358	1,457

2.1 Terms / rights attached to shares

Equity shares :

The Company has one class of equity shares having a par value of ₹ 1 each (previous year: having a par value of ₹ 1 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. However, no such preferential amounts exists currently. The distribution will be in proportion to the number of equity shares held by the shareholders. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2020, dividend recognized as distribution to equity shareholders was ₹ 8.50 per share consisting of final dividend of ₹ 4.50 per share for previous year ended 31 March 2019 and interim dividend of ₹ 4 per share for year ended 31 March 2020. The total dividend appropriated amounts to ₹ 12,491 lakhs (Previous Year: ₹ 12,374 lakhs) and dividend distribution tax of ₹ 2,567.50 lakhs (Previous year: ₹ 2,543.40 lakhs) has been paid by utilizing credit of dividend distribution tax of ₹ 2,567.50 lakhs (Previous year ₹ 1,495.40 lakhs) and by paying through bank Nil (Previous year ₹ 1048 lakhs).

Preference shares :

The Company has only one class of preference shares having a par value of ₹ 100 each and there are no preference shares issued and subscribed as on 31 March 2020 and 31 March 2019.

2.2 Reconciliation of number of shares outstanding

	As at 31-Mar-20		As at 31-Mar-19	
	Number of shares	In ₹	Number of shares	In ₹
At beginning of the year	14,56,80,358	1,457	14,50,83,558	1,451
Stock options exercised under the ESOS	10,55,432	11	5,96,800	6
Preferential Issue*	13,30,928	13	-	-
At the end of the year	14,80,66,718	1,481	14,56,80,358	1,457

* Note: Shares were allotted for consideration other than cash.

Notes to Financial Statement (Contd..)

2.3 Shares holder having more than 5% equity holding in the Company

Name of shareholder	As at 31-Mar-20		As at 31-Mar-19	
	No. of shares held	% of holding	No. of shares held	% of holding
Passionate Investment Management Private Limited	8,49,21,363	57.35	8,03,43,667	55.15
Mr. Motilal Oswal	85,25,972	5.76	1,01,62,071	6.98
Mr. Raamdeo Agarawal	79,27,265	5.35	1,01,62,071	6.98
Mr. Navin Agarwal	73,68,010	4.98	70,04,010	4.81

2.4 Shares held by holding company

Name of shareholder	As at 31-Mar-20		As at 31-Mar-19	
	No. of shares held	% of holding	No. of shares held	% of holding
Passionate Investment Management Private Limited	8,49,21,363	57.35	8,03,43,667	55.15

2.5 The Company has not issued any bonus shares or bought back any shares preceding to the year 31 March 2020. During the year 13,30,928 equity shares were issued for consideration other than cash (Previous year Nil).

NOTE 24 : OTHER EQUITY

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Capital redemption Reserve		
Balance at the beginning of the reporting period	71	71
Balance at the end of the reporting period	71	71
Capital Reserve		
Balance at the beginning of the reporting period	14	14
Balance at the end of the reporting period	14	14
Securities premium		
Balance at the beginning of the year	51,103	48,766
Add: during the year	12,457	1,446
Add: Transfer from ESOS Reserve	1,018	891
Balance as at end of the year	64,578	51,103
Share option outstanding account		
Balance at the beginning of the reporting period	3,428	2,739
Transfer to securities premium	(1,018)	(891)
Option granted during the year (Refer note 53)	1,323	1,580
Balance at the end of the reporting period	3,733	3,428
Statutory reserve (under Sec 451C of RBI Act, 1934)		
Balance at the beginning of the reporting period	–	12,124
Transfer to general reserve	–	(12,124)
Balance at the end of the reporting period	–	–
General reserve		
Balance at the beginning of the reporting period	14,749	4,420
Transfer to debenture redemption reserve	–	(1,795)
Transfer from debenture redemption reserve	3,353	–
Transfer from statutory reserve	–	12,124

Notes to Financial Statement (Contd.)

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Balance at the end of the reporting period	18,102	14,749
Debenture Redemption Reserve		
Balance at the beginning of the reporting period	3,353	1,558
Transfer from general reserve	–	1,795
Transfer to general reserve	(3,353)	–
Balance at the end of the reporting period	–	3,353
Retained earnings		
Balance at the beginning of the reporting period	185,181	167,001
Transfer from Statement of Profit and Loss	15,747	31,602
Interim dividend	(5,920)	(5,824)
Final dividend	(6,571)	(6,550)
Dividend distribution tax	(2)	(1,048)
Balance at the end of the reporting period	188,435	185,181
	274,933	257,899

Capital redemption reserve

The capital redemption reserve is created to be utilised towards redemption of preference shares. The reserve will be utilised in accordance with provision of the Act.

Capital reserve

It is made out of capital profits earned. The same is not available for profit distribution.

Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

Share option outstanding account

Share based payment expense pertaining to outstanding portion of the option not yet exercised.

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss. General reserve is used to transfer to debenture redemption reserve.

Retained earnings

Retained earnings represents surplus/accumulated earnings of the Company and are available for distribution to shareholders.

Other comprehensive income

Other comprehensive income consist of remeasurement gains/losses on defined benefit plans, gain/(loss) of equity instruments carried through FVTOCI.

NOTE 25 : INTEREST INCOME

	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
On financial assets measured at amortised cost		
Interest on loans	708	430
Interest on deposits with banks	3,743	581
Other interest income on :		
Margin funding	4,802	6,844
Delayed payment by customers	8,038	9,399
Total	17,291	17,254

Notes to Financial Statement *(Contd..)*

NOTE 26 : DIVIDEND INCOME

	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
Dividend income		
From investments	95	28
From subsidiary companies	13,891	8,065
Total	13,986	8,093

NOTE 27 : RENTAL INCOME

	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
Rent income from operating leases	2,084	2,482
Total	2,084	2,482

NOTE 28 : FEES AND COMMISSION INCOME

	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
Brokerage and fees income		
Brokerage income	75,858	66,780
Research and advisory fees	1,139	1,899
Depository income	2,541	2,356
	79,538	71,035
Other commission income		
Portfolio management fees and commission	10,937	10,835
Total	10,937	10,835

NOTE 29 : NET GAIN ON FAIR VALUE CHANGES

	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
Net gain / (loss) on financial instruments at fair value through profit or loss		
Realised	12,339	14,683
Unrealised gain / (loss)	(28,188)	(6,467)
Total	(15,849)	8,216

Notes to Financial Statement (Contd.)

NOTE 30 : OTHER OPERATING INCOME

	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
Partnership gain from private equity fund		
From Fund	89	959
Other operating revenue		
Commission	–	5
Others	3,024	2,848
Total	3,113	3,812

NOTE 31 : OTHER INCOME

	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
Interest on staff loans	10	10
Profit/(loss) on sale of fixed assets	93	–
Business support and other miscellaneous income (Refer note 46)	3,587	3,132
Total	3,690	3,142

NOTE 32 : FINANCE COST

	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
On instruments measured at amortized cost		
Interest on borrowings	3,399	2,036
Interest on debt securities	8,397	8,215
Other borrowing cost	867	177
Interest on lease	261	–
Total	12,924	10,428

NOTE 33 : FEES AND COMMISSION EXPENSE

	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
Brokerage sharing with intermediaries	32,317	31,025
Depository charges	365	358
Advisory and other fees	628	449
Total	33,310	31,832

Notes to Financial Statement (Contd..)

NOTE 34 : IMPAIRMENT ON FINANCIAL INSTRUMENTS

	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
Investments	–	5
Trade Receivables	90	289
Bad debts	1,349	387
Total	1,439	681

NOTE 35 : EMPLOYEE BENEFITS EXPENSE

	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
Salary, bonus and allowances	28,413	24,978
Share based payments (Refer note 53)	1,062	1,344
Contribution to provident and other funds (Refer note 51)	625	474
Gratuity and other long term benefits (Refer note 42)	504	389
Staff welfare expenses	567	721
Total	31,171	27,906

NOTE 36 : DEPRECIATION AND AMORTISATION EXPENSE

	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
Depreciation on Property, plant and equipment	1,377	1,302
Amortisation on other intangible assets	541	444
Depreciation on investment property	56	55
Depreciation on lease (Refer note 43)	1,010	–
Total	2,984	1,801

NOTE 37 : OTHER EXPENSES

	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
Rent	338	1,024
Rates and taxes	239	239
Insurance	307	212
Legal and professional fees	1,235	1,164
Remuneration to auditors (Refer note 40)	38	22
Advertisement expenses	540	553
Marketing and brand promotion	2,472	2,097
Printing and Stationary	549	384
Communication and data charges	1,361	1,459
Travelling, lodging and boarding expenses	1,786	1,602
Repairs - building	55	121

Notes to Financial Statement (Contd.)

	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
Repairs and maintenance - others	286	220
Computer maintenance and software charges	852	892
Power and fuel	660	545
Foreign exchange (Gain)/Loss	3	27
Service charges	594	437
Expenditure on Corporate Social Responsibility (Refer note 61)	695	517
Donations	18	38
Miscellaneous expenses	1,524	1,318
Total	13,552	12,871

NOTE 38 : CONTINGENT LIABILITY AND COMMITMENT (TO THE EXTENT NOT PROVIDED FOR)

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Contingent liabilities:		
(i) Guarantees/ securities given (Refer note a)	108,834	84,892
(ii) Demand in respect of income tax matters for which appeal is pending (Refer note b)	6,116	4,673
(iii) Claim against the company (Refer note c)	1,023	1,184
Capital commitments:		
(i) Estimated amount of contracts remaining to be executed on capital account (net of advances)	1,002	280
(ii) Uncalled liability on shares and other investments partly paid:		
1) India Realty Excellence Fund III	-	199
2) India Business Excellence Fund III	12,797	18,154
3) India Realty Excellence Fund IV	3,500	6,500

(a) Guarantees and securities given

- 1) The Company has given Corporate Guarantees of ₹ 84,749 lakhs (Previous year: ₹ 77,007 lakhs) to Banks and NCD holders for its subsidiary Motilal Oswal Home Finance Limited.
- 2) The Company has provided bank guarantees aggregating to ₹ 24,085 lakhs as on 31 March 2020 for the following purposes to:
 - i) National Stock exchange - ₹ 12.500 lakhs for meeting margin requirements.
 - ii) Bombay Stock exchange - ₹ 10,000 lakhs for meeting margin requirements.
 - iii) Unique Identification Authority - ₹ 25 lakhs for security deposit
 - iv) Hindalco Industries Limited - ₹ 1,500 lakhs for margin deposit
 - v) Municipal Corporation of Greater Mumbai - ₹ 5 lakhs for security deposit.
 - vi) Bombay High Court - ₹ 54.96 lakhs for security deposit

The Company has pledged fixed deposits with banks aggregating of ₹ 1,382 lakhs for obtaining bank guarantee.

- (b) Demand in respect of income tax matters for which appeal is pending is ₹ 6,115.92 lakhs (Previous year ₹ 4,673.38 lakhs). This is disputed by the Company and hence not provided for in the books of accounts. The Company has paid demand by way of deposit/adjustment of refund of ₹ 1,128.19 lakhs (Previous year ₹ 338.68 lakhs) till date. Above liability does not include interest u/s 234B and 234C as the same depends on the outcome of the demand.

The Company is contesting the demands and the management believes that its position will likely be upheld in the appellant process. No tax expenses has been accrued in the financial statement for the tax demand raised. The management believes that ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

Notes to Financial Statement (Contd..)

(c) Claims against the Company:

Pending against forum

	Number of cases as on 31-Mar-20	As at 31-Mar-20	Number of cases as on 31-Mar-19	As at 31-Mar-19
Civil cases	25	1,023	26	1,184
Consumer court cases	—	—	—	—
Arbitration cases	—	—	—	—
Total	25	1,023	26	1,184

Note :

The proceedings held at exchange level are considered as "Arbitration"

The proceedings / Appeals held at Supreme court / High court / District court are considered as "Civil cases".

The proceedings held at consumer court are considered as "Consumer cases".

(d) The Hon'ble Supreme Court has, in a recent decision dated 28 February 2019, ruled that special allowance would form part of basic wages for computing the Provident Fund (PF) contribution. While the Company is evaluating the implications of the order, the company taken impact of its PF contribution prospectively and would record any further effect in its financial statements, on receiving additional clarity on the subject.

NOTE 39 : SEGMENT REPORTING

As per IND AS 108 para 4, Segment has been disclosed in Consolidated financial statement, Hence no separate disclosure has been given in standalone financial statements of the Company.

NOTE 40 : REMUNERATION TO AUDITORS (EXCLUSIVE OF TAXES)

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
As Auditors:		
Statutory audit	33	24
Tax audit	—	—
In other capacity:		
Out of pocket expenses	—	—
Certification	5	1
Total	38	25

NOTE 41 : EARNINGS PER EQUITY SHARE

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Net profit attributable to equity shareholders from continuing operations [A] (₹ in lakhs)	19,680	32,363
Loss attributable to equity shareholders from discontinuing operations [B] (₹ in lakhs)	—	(132)
Net profit attributable to equity shareholders for calculation of Basic EPS [A+B] (₹ in lakhs)	19,680	32,231
Weighted average number of equity shares issued [C] (face value of ₹ 1 each) (In numbers)	147,023,376	145,432,053
Basic earnings per share from continuing operations [A/B] (₹)	13.39	22.25
Loss per share from discontinuing operations [B/C] (₹)	—	(0.09)
Net Profit attributable to equity shareholders from continuing operations [D] (₹ in lakhs)	19,680	32,363
Loss attributable to equity shareholders from discontinuing operations [E] (₹ in lakhs)	—	(132)
Less : Impact on net profit due to exercise of diluted potential equity shares [F]	—	—
Net profit attributable to equity shareholders for calculation of diluted EPS [(D+E)-F] (₹ in lakhs)	19,680	32,231

Notes to Financial Statement (Contd.)

	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Weighted average of equity shares issued (face value of ₹ 1 each) (In numbers) [G]	147,023,376	145,432,053
Weighted number of additional equity shares outstanding for diluted EPS (In numbers) [H]	3,301,812	4,021,647
Weighted number of equity shares outstanding for diluted EPS (In numbers) [I=G+H]	150,325,188	149,453,700
Diluted earnings per share from continuing operations [D-F/I] (₹)	13.09	21.65
Diluted loss per share from discontinuing operations [E-F/I] (₹)	–	(0.09)

NOTE 42 : PROVISIONS MADE FOR THE YEAR ENDED 31 MARCH 2020 COMPRISES OF:

Particulars	Opening balance as at 1-Apr-19	Provided during the year	Provision reversed / paid during the year	Closing balance As at 31-Mar-20
Ex-gratia	5,823	5,760	5,823	5,760
Provision for gratuity	1,366	398	152	1,612
Heritage benefits	116	27	–	143
Compensated absences	72	462	72	462
Total	7,377	6,647	6,047	7,977

Particulars	Opening balance as at 1-Apr-18	Provided during the year	Provision reversed / paid during the year	Closing balance As at 31-Mar-19
Ex-gratia	8,441	5,823	8,441	5,823
Provision for gratuity	1,181	229	45	1,366
Heritage benefits	60	56	–	116
Compensated absences	39	72	39	72
Total	9,721	6,180	8,525	7,377

NOTE 43 : LEASE

The Company has taken various office premises on operating lease for the period which ranges from 12 months to 106 months with an option to renew the lease by mutual consent on mutually agreeable terms.

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

The adoption of the new standard Ind AS 116, resulted in recognition of ‘Right of Use’ (ROU) asset of ₹ 2,840 lakhs and a lease liability of ₹ 2,840 lakhs. Ind AS 116 will result in an increase in cash in flows from operating activities and an increase in cashout flows from financing activities on account of lease payments.

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 8.20 %.

Information about leases for which the company is a lessee are presented below:

(A) Right of use assets for the year ended 31 March 2020

Particulars	Amount ₹ in Lakhs
Balance as at 1 April 2019	–
Adjustment on transition to Ind AS 116	2,840
Movement during the year	341
Depreciation on Right-Of-Use (ROU) assets	(1,010)
Balance as at 31 March 2020	2,171

Notes to Financial Statement (Contd..)

(B) Lease liabilities for the year ended 31 March 2020

Particulars	Amount ₹ in Lakhs
Balance as at 1 April 2019	–
Adjustment on transition to In AS 116	2,840
Movement during the year	341
Add: Interest cost accrued during the period	261
Less: Payment of lease liabilities	(1,092)
Balance as at 31 March 2020	2,350

(C) Maturity analysis - Discounted Cashflows of Contractual maturities of lease liabilities as at 31 March 2020

Particulars	Amount ₹ in Lakhs
Less than three months	276
Three to twelve months	547
One to five years	1,340
More than five years	187
Total	2,350

(D) Amount recognised in statement of profit & loss for the year ended 31 March 2020

Particulars	Amount ₹ in Lakhs
Interest cost on lease liabilities	261
Depreciation on right of use assets	1,010
Rental Expenses recorded for short-term lease payments and payments for leases of low-value assets not included in the measurement of the lease liability	338

(E) Amount recognised in statement of cash flows for the year ended 31 March 2020

Particulars	Amount ₹ in Lakhs
Cash payments for the principal & interest portion of the lease liability within financing activities	(1,092)
Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability within operating activities.	338

Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore expected future minimum commitments as at 31 March 2019 during the non-cancellable period under the lease arrangements have been presented below, based on the financial statements for the year ended 31 March 2019. Further there are no short term or low value leases, for which Company carries any material commitments.

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Within one year	–	860
Later than one year but not later than five years	–	729
Later than five years	–	–
	–	1,589

Notes to Financial Statement (Contd.)

NOTE 44 : RATINGS ASSIGNED BY CREDIT RATING AGENCIES

- 1) Crisil Limited reaffirmed the Credit Rating of ""CRISIL A1+"" (pronounced 'CRISIL A One Plus') to the Commercial Paper Programme of ₹ 130,000 lakhs (Previous year 130,000 lakhs) of the Company.
- 2) India Ratings and Research affirmed the Credit Rating of ""IND A1+"" (pronounced 'IND A One Plus') to the Commercial Paper Programme of ₹ 130,000 lakhs (Previous year 130,000 lakhs) of the Company.
- 3) ICRA has reaffirmed the rating of ""ICRA AA"" rating with stable outlook (pronounced ICRA double A rating with stable outlook') to the long term debt programme of the Company for ₹ 35,000 lakhs in the current year (Previous year ₹ 35,000 lakhs).

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

NOTE 45 : DUE TO MICRO AND SMALL ENTERPRISES

The Company has sent letters to vendors to confirm whether they are covered under Micro, Small and Medium Enterprise Development Act 2006 as well as they have filed required memorandum with prescribed authority. Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

Particulars	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
The Principal amount remaining unpaid at the year end	—	—
The Interest amount remaining unpaid at the year end	—	—
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	—	—
The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	—	—
The amount of interest accrued and remaining unpaid at the year end	—	—
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	—	—
The balance of MSMED parties as at the year end	—	—

NOTE 46 : BUSINESS SUPPORT

The company provides business support to its subsidiaries, fellow subsidiaries for activities like finance, accounting, human resources, information technology, back office operations, corporate planning, administrative services and various other services for which it recovers business support charges.

NOTE 47 : FOREIGN CURRENCY TRANSACTIONS

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

Particulars	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
Travelling lodging and boarding expenses	201	259
Marketing commission	6	6
Membership fees	—	7
Computer maintenance and software charges	266	247
Lodging and boarding expenses	10	77
Training charges	25	19
Advisory and other fees	378	346
Total	886	961

Notes to Financial Statement (Contd..)

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

Particulars	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
Research and advisory fees	1,132	1,374
Total	1,132	1,374

NOTE 48 : AMOUNT OF MARGIN MONEY AND SHARES RECEIVED FROM CLIENTS AND OUTSTANDING ARE AS FOLLOWS OF THE COMPANY

Particulars	In the form of Securities at market Value*	Bank Guarantees and Fixed Deposits	Received in bank
As at 31 March 2020	153,081	5,183	21,418
As at 31 March 2019	192,492	2,710	28,979

* Margin money received in the form of securities from clients is held by the company in accordance with regulation. Out of this, securities worth ₹ 159,099 lakhs are pledged with exchange as on 31 March 2020.

NOTE 49 : UNHEDGED FOREIGN CURRENCY EXPOSURE

a) Receivables

Particulars	Currency	As at 31-Mar-20	As at 31-Mar-19
Foreign currency exposure outstanding	USD (USA Dollar)	0.93	0.78
	INR (Indian Rupees)	68.00	54.28
	GBP (Pound Sterling)	–	0.12
	INR (Indian Rupees)	–	11.21
Foreign currency receivable in next 5 years including interest	USD (USA Dollar)	0.93	0.78
	INR (Indian Rupees)	68.00	54.28
	GBP (Pound Sterling)	–	0.12
	INR (Indian Rupees)	–	11.21
Unheeded foreign currency exposure	USD (USA Dollar)	0.93	0.78
	INR (Indian Rupees)	68.00	54.28
	GBP (Pound Sterling)	–	0.12
	INR (Indian Rupees)	–	11.21

b) Payables

Particulars	Currency	As at 31-Mar-20	As at 31-Mar-19
Foreign currency exposure outstanding	USD (USA Dollar)	0.85	0.75
	INR (Indian Rupees)	63.48	52.59
	HKD (Hongkong Dollar)	4.21	–
	INR (Indian Rupees)	40.60	–
	SGD (Singapore Dollar)	4.00	2.45
	INR (Indian Rupees)	210.06	125.41
Foreign currency receivable in next 5 years including interest	USD (USA Dollar)	0.85	0.75
	INR (Indian Rupees)	63.48	52.59
	HKD (Hongkong Dollar)	4.21	–
	INR (Indian Rupees)	40.60	–

Notes to Financial Statement *(Contd..)*

Particulars	Currency	As at 31-Mar-20	As at 31-Mar-19
	SGD (Singapore Dollar)	4.00	2.45
	INR (Indian Rupees)	210.06	125.41
Unhedged foreign currency exposure	USD (USA Dollar)	0.85	0.75
	INR (Indian Rupees)	63.48	52.59
	HKD (Hongkong Dollar)	4.21	–
	INR (Indian Rupees)	40.60	–
	SGD (Singapore Dollar)	4.00	2.45
	INR (Indian Rupees)	210.06	125.41

c) Investments

Particulars	Currency	As at 31-Mar-20	As at 31-Mar-19
Foreign currency exposure outstanding	HKD (Hongkong Dollar)	60.00	60.00
	INR (Indian Rupees)	412.02	412.02
	SGD (Singapore Dollar)	22.50	22.50
	INR (Indian Rupees)	1,040.88	1,040.88
Foreign currency receivable in next 5 years including interest	HKD (Hongkong Dollar)	NA	NA
	INR (Indian Rupees)	NA	NA
	SGD (Singapore Dollar)	NA	NA
	INR (Indian Rupees)	NA	NA
Unhedged foreign currency exposure	HKD (Hongkong Dollar)	60.00	60.00
	INR (Indian Rupees)	412.02	412.02
	SGD (Singapore Dollar)	22.50	22.50
	INR (Indian Rupees)	1,040.88	1,040.88

NOTE 50 : PROPOSED DIVIDEND

The final dividend proposed for the year is as follows

Particulars	For the year ended 31-Mar-20	For the year ended 31-Mar-19
On Equity Shares of ₹ 1 each		
Amount of dividend proposed (₹ in lakhs)	–	6,556
Dividend distribution tax on proposed dividend (₹ in lakhs)	–	1,348
Dividend per equity share (₹)	–	4.50

NOTE 51 : EMPLOYEE BENEFITS

Disclosure pursuant to Ind AS -19 “Employee benefits” is given as below:

Defined contribution plan:

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

Particulars	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
Employers’ contribution to provident fund	625	474

Defined benefit plan:

The Company provides for gratuity benefit which is a defined benefit plan covering all its eligible employees. This plan is unfunded. The gratuity benefits are subject to a maximum limit of upto ₹ 20,00,000.

Notes to Financial Statement (Contd..)

The following table set out the status of the gratuity plan as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended) under Ind AS 19 "Employee benefits" and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

(₹ in Lakhs)

Particulars	Gratuity (unfunded)		Other long term benefits	
	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19
I) Actuarial assumptions				
Mortality	IALM (2012-014) Ultimate	IALM (2006-08) Ultimate	IALM (2012-014) Ultimate	IALM (2006-08) Ultimate
Discount Rate (per annum)	4.80%	7.12%	4.80%	7.12%
Rate of escalation in salary (per annum)	10.64%	11.00%	–	–
Expected rate of return on plan assets (per annum)	–	–	–	–
Employee Attrition Rate (Past Service)	PS: 0 to 40 : 50.05%	PS: 0 to 37 : 43.93%	PS: 0 to 40 : 50.05%	PS: 0 to 37 : 43.93%
Expected average remaining service	1	1.27	1	1.23 to 1.27
I) Changes in present value of obligations (PVO)				
PVO at beginning of period	1,366	77	116	60
Interest cost	78	4	–	–
Current service cost	366	3	27	56
Past service cost - (non vested benefits)	–	–	–	–
Past service cost - (vested benefits)	–	–	–	–
Transfer In-Liability	14	1,143	–	–
Transfer Out-Liability	(3)	(7)	–	–
Benefits paid	(152)	(45)	–	–
Contributions by plan participants	–	–	–	–
Business Combinations	–	–	–	–
Curtailements	–	–	–	–
Settlements	–	–	–	–
Actuarial (Gain)/ Loss on obligation	(57)	191	–	–
PVO at end of period	1,612	1,366	143	116
II) Interest expense				
Interest cost	78	4	–	–
III) fair value of plan assets				
Fair Value of Plan Assets at the beginning	–	–	–	–
Interest income	–	–	–	–
IV) Net Liability				
PVO at beginning of period	1,366	77	–	–
Fair Value of the Assets at beginning report	–	–	–	–
Net Liability	1,366	77	–	–
V) Net Interest				
Interest Expenses	78	4	–	–
Interest Income	–	–	–	–
Net Interest	78	4	–	–
VI) Actual return on plan assets				
Less Interest income included above	–	–	–	–
Return on plan assets excluding interest income	–	–	–	–
VII) Actuarial (Gain)/ loss on obligation				
Due to Demographic Assumption	(54)	(304)	–	–
Due to Financial Assumption	54	92	–	–
Due to Experience	(57)	403	–	–
Total Actuarial (Gain)/ Loss	(57)	191	–	–

Notes to Financial Statement (Contd.)

(₹ in Lakhs)

Particulars	Gratuity (unfunded)		Other long term benefits	
	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19
VIII) Fair Value of Plan Assets				
Opening Fair Value of Plan Asset	-	-	-	-
Adjustment to Opening Fair Value of Plan Asset	-	-	-	-
Return on Plan Assets excl. interest income	-	-	-	-
Interest Income	-	-	-	-
Contributions by Employer	152	45	-	-
Contributions by Employee	-	-	-	-
Benefits Paid	(152)	(45)	-	-
Fair Value of Plan Assets at end	-	-	-	-
IX) 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	-	-	-	-
X) Amounts to be recognized in the balance sheet and statement of profit & loss account				
PVO at end of period	1,612	1,366	-	-
Fair Value of Plan Assets at end of period	-	-	-	-
Funded Status	(1,612)	(1,366)	-	-
Net Asset/(Liability) recognized in the balance sheet	(1,612)	(1,366)	-	-
XI) Expense recognised in the statement of profit and loss				
Current service cost	366	3	27	56
Net Interest	78	4	-	-
Past service cost - (non vested benefits)	-	-	-	-
Past service cost - (vested benefits)	-	-	-	-
Curtailement Effect	-	-	-	-
Settlement Effect	-	-	-	-
Unrecognised past service cost - non vested benefits	-	-	-	-
Actuarial (Gain)/ Loss recognized for the period	-	-	-	-
Expense recognized in the statement of profit and loss	444	7	27	56
XII) Other Comprehensive Income (OCI)				
Actuarial (Gain)/ Loss recognized for the period	(57)	191	-	-
Asset limit effect	-	-	-	-
Return on Plan Assets excluding net interest	-	-	-	-
Unrecognized Actuarial (Gain)/ Loss from previous period	-	-	-	-
Total Actuarial (Gain)/ Loss recognized in (OCI)	(57)	191	-	-

Notes to Financial Statement (Contd..)

(₹ in Lakhs)

Particulars	Gratuity (unfunded)		Other long term benefits	
	Year ended 31-Mar-20	Year ended 31-Mar-19	Year ended 31-Mar-20	Year ended 31-Mar-19
XIII) Movement in liability recognized in balance sheet				
Opening net liability	1,366	77	116	60
Adjustment to opening balance	–	–	–	–
Transfer In-Liability	14	1,143	–	–
Transfer Out-Liability	(3)	(7)	–	–
Expenses as above	444	7	27	56
Contribution paid	(152)	(45)	–	–
Other Comprehensive Income(OCI)	(57)	191	–	–
Closing net liability	1,612	1,366	143	116
XIV) Schedule III of The Companies Act 2013				
Current liability	735	552	116	81
Non - current liability	877	815	27	35
XV) Projected Service Cost 31 Mar 2021	416	366	–	–
XVI) Asset Information				
Cash and Cash Equivalents	–	–	–	–
Gratuity Fund	–	–	–	–
Debt Security - Government Bond	–	–	–	–
Equity Securities - Corporate debt securities	–	–	–	–
Other Insurance contracts	–	–	–	–
Property	–	–	–	–
Total Itemized Assets	–	–	–	–
XVIII) Sensitivity Analysis				
	DR: Discount Rate		ER : Salary escalation rate:	
	PVO DR +1%	PVO DR +1%	PVO ER +1%	PVO ER +1%
PVO	1,587	1,342	1,627	1,382

XIX) Expected Payout

Year	Expected Outgo First	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo Fifth	Expected Outgo Six to ten years
Pay-outs	735	424	255	151	86	96

XX) Asset Liability Comparisons

Year	31/03/2016	31/03/2017	31/03/2018	31/03/2019	31/03/2020
PO at End of period	40	44	77	1,366	1,612
Plan Assets	–	–	–	–	–
Surplus / (Deficit)	(40)	(44)	(77)	(1,366)	(1,612)
Experience adjustments on plan assets					

NOTE 52 : RELATED PARTY DISCLOSURE

As per Ind AS 24 - Related Party Disclosures, specified under section 133 of the Companies Act, 2013, read with The Companies (Indian Accounting Standards) Rules, 2015, the name of related party where control exists / able to exercise significant influence along with the transactions and year end balances with them as identified and certified by the management are as follows:

I. List of related parties and their relationship

a) Holding Company

- Passionate Investment Management Private Limited

Notes to Financial Statement (Contd..)

- f) **Enterprises in which Key Managerial Personnel have control**
- OSAG Enterprises LLP
- g) **Enterprises in which Key Managerial Personnel and their relatives exercise significant influence**
- Raamdeo Agarawal (HUF)
 - Navshital Consultants LLP
 - Textile Exports Private Limited
 - Motilal Oswal Foundation (Trust)
 - Motilal Oswal HUF
 - Like Minded Wealth Creation Trust

II. Transactions with related parties

₹ in Lakhs

Nature of transaction	Name of the related party	Subsidiaries / step-down / fellow subsidiaries*		Holding Company		Key managerial personnel/relative of key managerial personnel /associates		Total	
		For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Interest (Income)/ Expense	Motilal Oswal Wealth Management Limited	(3)	(9)	–	–	–	–	(3)	(9)
	Motilal Oswal Home Finance Limited	(210)	(57)	–	–	–	–	(210)	(57)
	Motilal Oswal Wealth Management Limited	–	19	–	–	–	–	–	19
	Motilal Oswal Commodities Broker Private Limited	–	(2)	–	–	–	–	–	(2)
	Motilal Oswal Asset Management Company Limited	–	(7)	–	–	–	–	–	(7)
	Motilal Oswal Fincap Private Limited	–	(2)	–	–	–	–	–	(2)
	Motilal Oswal Finvest Limited	(441)	(452)	–	–	–	–	(441)	(452)
	Motilal Oswal Finvest Limited	259	56	–	–	–	–	259	56
	Motilal Oswal Investment Advisors Limited	(39)	(37)	–	–	–	–	(39)	(37)
	Passionate Investment Management Private Ltd.	–	–	–	(2)	–	–	–	(2)
	Motilal Oswal Real Estate Investment Advisors II Private Limited	(1)	(12)	–	–	–	–	(1)	(12)
	MOPE Investment Advisors Private Limited	(13)	(29)	–	–	–	–	(13)	(29)
	Like Minded Wealth Creation Trust	–	–	–	–	–	(4)	–	(4)
	Total interest received		(707)	(605)	–	(2)	–	(4)	(707)
Total interest paid		259	75	–	–	–	–	259	75

Notes to Financial Statement (Contd.)

₹ in Lakhs

Nature of transaction	Name of the related party	Subsidiaries / step-down / fellow subsidiaries*		Holding Company		Key managerial personnel/relative of key managerial personnel /associates		Total	
		For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Managerial remuneration paid**	Mr. Motilal Oswal	-	-	-	-	240	241	240	241
	Mr. Raamdeo Agarawal	-	-	-	-	168	277	168	277
Total managerial remuneration paid		-	-	-	-	408	518	408	518
Referral fees / advisory fees (received)	Motilal Oswal Real Estate Investment Advisors II Private Limited	(26)	(79)	-	-	-	-	(26)	(79)
	Motilal Oswal Real Estate Investment Advisors II Private Limited Referral fees IREF 4	(30)	(17)	-	-	-	-	(30)	(17)
	Motilal Oswal Capital Markets (Hongkong) Pte Limited	-	(33)	-	-	-	-	-	(33)
	Motilal Oswal Securities International Private Limited	147	144	-	-	-	-	147	144
	Motilal Oswal Capital Market (Singapore) Pte Limited	305	270	-	-	-	-	305	270
Total referral fees / advisory fees (received)		(56)	(129)	-	-	-	-	(56)	(129)
Total referral fees / advisory fees paid		452	414	-	-	-	-	452	414
Placement fees	MOPE Investment Advisors Private Limited	(677)	(882)	-	-	-	-	(677)	(882)
	Motilal Oswal Real Estate Investment Advisors II Private Limited	(218)	(350)	-	-	-	-	(218)	(350)
Total placement fees (received)		(895)	(1,232)	-	-	-	-	(895)	(1,232)
Business support service (Received) / Paid	Passionate Investment Management Private Ltd.	-	-	(1)	(1)	-	-	(1)	(1)
	OSAG Enterprises LLP	-	-	-	-	(1)	(1)	(1)	(1)
	OSAG Enterprises LLP	-	-	-	-	57	-	57	-
	Motilal Oswal Securities International Private Limited	(2)	(2)	-	-	-	-	(2)	(2)
	Motilal Oswal Wealth Management Limited	(806)	(694)	-	-	-	-	(806)	(694)
	Motilal Oswal Home Finance Limited	(225)	(225)	-	-	-	-	(225)	(225)

Notes to Financial Statement (Contd.)

₹ in Lakhs

Nature of transaction	Name of the related party	Subsidiaries / step-down / fellow subsidiaries*		Holding Company		Key managerial personnel/relative of key managerial personnel /associates		Total	
		For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19
	Motilal Oswal Asset Management Company Limited	(1,214)	(1,157)	-	-	-	-	(1,214)	(1,157)
	Motilal Oswal Investment Advisors Limited	(720)	(720)	-	-	-	-	(720)	(720)
	MOPE Investment Advisors Private Limited	(195)	(180)	-	-	-	-	(195)	(180)
	Motilal Oswal Fincap Private Limited	(2)	-	-	-	-	-	(2)	-
	Motilal Oswal Finvest Limited	(24)	-	-	-	-	-	(24)	-
	Glide Tech Investment Advisory Private Limited	(3)	-	-	-	-	-	(3)	-
	Motilal Oswal Real Estate Investment Advisors II Private Limited	(105)	(120)	-	-	-	-	(105)	(120)
Total Business support service received		(3,296)	(3,098)	(1)	(1)	(1)	(1)	(3,298)	(3,100)
Total Business support service paid		-	-	-	-	57	-	57	-
Training fees	Motilal Oswal Capital Market Limited	66	49	-	-	-	-	66	49
Total Training fees (paid)		66	49	-	-	-	-	66	49
Set up fees	MOPE Investment Advisors Private Limited	(6)	(197)	-	-	-	-	(6)	(197)
	Motilal Oswal Real Estate Investment Advisors II Private Limited	(75)	(137)	-	-	-	-	(75)	(137)
Total Set up fees		(81)	(334)	-	-	-	-	(81)	(334)
Brokerage on mutual fund	Motilal Oswal Asset Management Company Limited	(50)	(514)	-	-	-	-	(50)	(514)
Total Brokerage on mutual fund		(50)	(514)	-	-	-	-	(50)	(514)
Brokerage sharing	Motilal Oswal Wealth Management Limited	1,036	689	-	-	-	-	1,036	689
Total Brokerage sharing		1,036	689	-	-	-	-	1,036	689
Marketing commission	Motilal Oswal Wealth Management Limited	(9)	(4)	-	-	-	-	(9)	(4)
Total Marketing commission		(9)	(4)	-	-	-	-	(9)	(4)

Notes to Financial Statement (Contd.)

₹ in Lakhs

Nature of transaction	Name of the related party	Subsidiaries / step-down / fellow subsidiaries*		Holding Company		Key managerial personnel/relative of key managerial personnel /associates		Total	
		For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Portfolio management service distribution fees	Motilal Oswal Asset Management Company Limited	(5,402)	(4,993)	-	-	-	-	(5,402)	(4,993)
Total Portfolio management service distribution fees		(5,402)	(4,993)	-	-	-	-	(5,402)	(4,993)
Alternate Investment fund income	Motilal Oswal Asset Management Company Limited	(444)	(319)	-	-	-	-	(444)	(319)
Total Alternate Investment fund income (set up fees)		(444)	(319)	-	-	-	-	(444)	(319)
Rent (received) / paid	Motilal Oswal Real Estate Investment Advisors Private Limited	(0)	(0)	-	-	-	-	(0)	(0)
	Motilal Oswal Investment Advisors Limited	(210)	(210)	-	-	-	-	(210)	(210)
	MOPE Investment Advisors Private Limited	(190)	(257)	-	-	-	-	(190)	(257)
	Motilal Oswal Asset Management Company Limited	(585)	(585)	-	-	-	-	(585)	(585)
	Motilal Oswal Fincap Private Limited	(0)	(0)	-	-	-	-	(0)	(0)
	Motilal Oswal Wealth Management Limited	110	110	-	-	-	-	110	110
	Motilal Oswal Home Finance Limited	(349)	(471)	-	-	-	-	(349)	(471)
	Motilal Oswal Wealth Management Limited	(575)	(575)	-	-	-	-	(575)	(575)
	Passionate Investment Management Private Ltd.	-	-	(1)	(1)	-	-	(1)	(1)
	Glide Tech Investment Advisory Private Limited	(3)	-	-	-	-	-	(3)	-
	Motilal Oswal Real Estate Investment Advisors II Private Limited	(102)	(102)	-	-	-	-	-	-
	Textile Exports Private limited	-	-	-	-	16	16	16	16
	Motilal Oswal Securities International Private Ltd.	(7)	(7)	-	-	-	-	(7)	(7)
	Motilal Oswal Capital Ltd.	-	(0)	-	-	-	-	-	(0)

Notes to Financial Statement (Contd..)

₹ in Lakhs

Nature of transaction	Name of the related party	Subsidiaries / step-down / fellow subsidiaries*		Holding Company		Key managerial personnel/relative of key managerial personnel /associates		Total	
		For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19
	Motilal Oswal Finvest Ltd.	(24)	(14)	-	-	-	-	(24)	(14)
Total rent (received)		(2,045)	(2,119)	(1)	(1)	-	-	(2,046)	(2,106)
Total rent paid		110	110	-	-	16	16	126	126
Brokerage	Motilal Oswal Investment Advisors Limited	-	(85)	-	-	-	-	-	(85)
	Motilal Oswal	-	-	-	-	6	4	6	4
	Raamdeo Agarawal	-	-	-	-	7	3	7	3
Total Brokerage		-	(85)	-	-	13	7	13	(78)
Reimbursement of expenses (received)/ paid	Motilal Oswal Wealth Management Limited	84	75	-	-	-	-	84	75
	Motilal Oswal Investment Advisors Limited	30	27	-	-	-	-	30	27
	MOPE Investment Advisors Private Limited	28	34	-	-	-	-	28	34
	Motilal Oswal Real Estate Investment Advisors II Private Limited	15	-	-	-	-	-	15	-
	Motilal Oswal Asset Management Company Ltd.	85	76	-	-	-	-	85	76
	Motilal Oswal Home Finance Limited	51	77	-	-	-	-	51	77
	Glide Tech Investment Advisory Private Limited	1	-	-	-	-	-	1	-
	Motilal Oswal Finvest Ltd.	4	1	-	-	-	-	4	1
Total reimbursement of expenses (received)		-	-	-	-	-	-	-	-
Total reimbursement of expenses paid		298	290	-	-	-	-	298	290
Partnership gain accrued	India Realty Excellence Fund II LLP	-	-	-	-	89	959	89	959
Total partnership gain accrued		-	-	-	-	89	959	89	959
Gain on sale of investment	India Realty Excellence Fund II LLP	-	-	-	-	121	359	121	359
Total Gain on sale of investment		-	-	-	-	121	359	121	359
Donation	Motilal Oswal Foundation (Trust)	-	-	-	-	472	409	472	409
Total donation paid		-	-	-	-	472	409	472	409

Notes to Financial Statement (Contd.)

₹ in Lakhs

Nature of transaction	Name of the related party	Subsidiaries / step-down / fellow subsidiaries*		Holding Company		Key managerial personnel/relative of key managerial personnel /associates		Total	
		For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Commission for Pledge/ Bank Guarantee	Motilal Oswal Asset Management Company Limited	68	51	-	-	-	-	68	51
	Motilal Oswal Home Finance Limited	(208)	(46)	-	-	-	-	(208)	(46)
Total Commission for Pledge		(140)	5	-	-	-	-	(140)	5
Dividend (received)/ paid	Motilal Oswal	-	-	-	-	798	979	798	979
	Raamdeo Agarawal	-	-	-	-	774	946	774	946
	Motilal Oswal-HUF	-	-	-	-	0	0	0	0
	Raamdeo Agarawal (HUF)	-	-	-	-	55	55	55	55
	Suneeta Agarawal	-	-	-	-	25	25	25	25
	Vimla Oswal	-	-	-	-	11	11	11	11
	Rajendra Gopilal Oswal	-	-	-	-	5	5	5	5
	Dr. Karoon Ramgopal Agarawal	-	-	-	-	9	9	9	9
	Vinay R. Agrawal	-	-	-	-	9	9	9	9
	Sukhdeo Ramgopal Agarawal	-	-	-	-	7	7	7	7
	Govinddeo R. Agarawal	-	-	-	-	5	5	5	5
	Suman Agrawal	-	-	-	-	9	9	9	9
	Satish Agrawal	-	-	-	-	7	7	7	7
	Anita Anandmurthy Agrawal	-	-	-	-	7	7	7	7
	Vimladevi Salecha	-	-	-	-	0	0	0	0
	Vedika Karnani	-	-	-	-	4	-	4	-
	Vaibhav Raamdeo Agarwal	-	-	-	-	4	-	4	-
	Osag Enterprises LLP	-	-	-	-	0	0	0	0
	Passionate Investment Management Private Ltd.	-	-	6,965	6,629	-	-	6,965	6,629
	MOPE Investment Advisors Private Limited	(1,473)	-	-	-	-	-	(1,473)	-
	Motilal Oswal Asset Management Company Limited	(12,418)	(6,565)	-	-	-	-	(12,418)	(6,565)
	Motilal Oswal Commodities Broker Private Limited	-	(1,500)	-	-	-	-	-	(1,500)
	Total dividend (received)		(13,891)	(8,065)	-	-	-	-	(13,891)
Total dividend paid		-	-	6,965	6,629	1,729	2,074	8,694	8,703

** Managerial remuneration does not include provision for gratuity and Insurance premiums for medical and life.

Note: Income / Liability figures are shown in brackets.

Notes to Financial Statement (Contd.)

II. Transactions with related parties:

₹ in Lakhs

Nature of transaction	Name of the related party	Subsidiaries / step-down / fellow subsidiaries*		Holding Company		Key managerial personnel / relative of key managerial personnel / associates		Total	
		For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Subscription/purchase of equity shares	Motilal Oswal Home Finance Limited	–	56,633	–	–	–	–	–	56,633
	Motilal Oswal Finvest Private Limited	25,000	30,035	–	–	–	–	25,000	30,035
	Motilal Oswal Wealth Management Limited	295	–	–	–	–	–	295	–
	Motilal Oswal Asset Management Company Ltd.	7,480	–	–	–	–	–	7,480	–
	MOPE Investment Advisors Private Limited	1,255	–	–	–	–	–	1,255	–
	Glide Tech Investment Advisory Private Limited	100	–	–	–	–	–	100	–
	Motilal Oswal Finsec IFSC Limited	240	–	–	–	–	–	240	–
Total		34,370	86,668	–	–	–	–	34,370	86,668
Loans given/(received)	Motilal Oswal Real Estate Investment Advisors II Private Limited	641	911	–	–	–	–	641	911
	Motilal Oswal Commodities Broker Private Limited	–	8,801	–	–	–	–	–	8,801
	Motilal Oswal Asset Management Company Limited	–	7,120	–	–	–	–	–	7,120
	Motilal Oswal Fincap Private Limited	–	238	–	–	–	–	–	238
	Motilal Oswal Finvest Limited	317,521	163,947	–	–	–	–	317,521	163,947
	Motilal Oswal Investment Advisors Limited	420	4,983	–	–	–	–	420	4,983
	MOPE Investment Advisors Private Limited	775	3,850	–	–	–	–	775	3,850
	Passionate Investment Management Private Limited	–	–	–	298	–	–	–	298
	Motilal Oswal Wealth Management Limited	1,025	3,670	–	–	–	–	1,025	3,670
	Motilal Oswal Home Finance Limited	108,300	–	–	–	–	–	108,300	–
Total Loans given/(received)		428,682	193,520	–	298	–	–	428,682	193,818
Loans repayment (received)/given	Motilal Oswal Real Estate Investment Advisors II Private Limited	(691)	(861)	–	–	–	–	(691)	(861)
	Motilal Oswal Commodities Broker Private Limited	–	(8,801)	–	–	–	–	–	(8,801)

Notes to Financial Statement (Contd.)

₹ in Lakhs

Nature of transaction	Name of the related party	Subsidiaries / step-down / fellow subsidiaries*		Holding Company		Key managerial personnel / relative of key managerial personnel / associates		Total	
		For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19
	Motilal Oswal Asset Management Company Limited	-	(7,120)	-	-	-	-	-	(7,120)
	Motilal Oswal Fincap Private Limited	-	(238)	-	-	-	-	-	(238)
	Motilal Oswal Finvest Limited	(327,182)	(162,666)	-	-	-	-	(327,182)	(162,666)
	MOPE Investment Advisors Private Limited	(2,000)	(2,625)	-	-	-	-	(2,000)	(2,625)
	Motilal Oswal Investment Advisors Limited	(2,190)	(3,213)	-	-	-	-	(2,190)	(3,213)
	Passionate Investment Management Private Limited	-	-	-	(298)	-	-	-	(298)
	Motilal Oswal Wealth Management Limited	(1,325)	(3,370)	-	-	-	-	(1,325)	(3,370)
	Motilal Oswal Home Finance Limited	(108,300)	-	-	-	-	-	(108,300)	-
Total loans repayment (received)/ given		(441,688)	(188,894)	-	(298)	-	-	(441,688)	(189,192)
Outstanding balances:									
Loans and advances (payable/ receivable (including interest))	Motilal Oswal Commodities Broker Private Limited	-	(0)	-	-	-	-	-	(0)
	MOPE Investment Advisors Private Limited	-	1,225	-	-	-	-	-	1,225
	Motilal Oswal Investment Advisors Limited	-	1,771	-	-	-	-	-	1,771
	Motilal Oswal Asset Management Company Limited	-	(0)	-	-	-	-	-	(0)
	Motilal Oswal Real Estate Investment Advisors Private Limited	-	(0)	-	-	-	-	-	(0)
	Motilal Oswal Finvest Limited	(8,384)	1,260	-	-	-	-	(8,384)	1,260
	Motilal Oswal Wealth Management Limited	-	300	-	-	-	-	-	300
	Motilal Oswal Real Estate Investment Advisors II Private Limited	-	50	-	-	-	-	-	50
Total loan and advances (payable)		(8,384)	(0)	-	-	-	-	(8,384)	(0)

Notes to Financial Statement *(Contd..)*

₹ in Lakhs

Nature of transaction	Name of the related party	Subsidiaries / step-down / fellow subsidiaries*		Holding Company		Key managerial personnel / relative of key managerial personnel / associates		Total	
		For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Total loan and advances receivable		–	4,606	–	–	–	–	–	4,606
Other receivables / (payable)	Motilal Oswal Investment Advisors Limited	21	12	–	–	–	–	21	12
	MOPE Investment Advisors Private Limited	(4)	(4)	–	–	–	–	(4)	(4)
	MOPE Investment Advisors Private Limited	23	–	–	–	–	–	23	–
	Motilal Oswal Wealth Management Limited	5	–	–	–	–	–	5	–
	Motilal Oswal Wealth Management Limited	(328)	(49)	–	–	–	–	(328)	(49)
	Motilal Oswal Commodities Broker Private Limited	34	37	–	–	–	–	34	37
	Motilal Oswal Real Estate Investment Advisors II Private Limited	114	452	–	–	–	–	114	452
	Motilal Oswal Asset Management Company Limited	567	602	–	–	–	–	567	602
	Motilal Oswal Asset Management Company Limited	(31)	–	–	–	–	–	(31)	–
	Motilal Oswal Finvest Limited	–	(23)	–	–	–	–	–	(23)
	Motilal Oswal Finvest Limited	1	–	–	–	–	–	1	–
	Motilal Oswal Capital Markets (Singapore) Pte. Limited	85	57	–	–	–	–	85	57
	Motilal Oswal Capital Markets (Singapore) Pte. Limited	(202)	(122)	–	–	–	–	(202)	(122)
	Motilal Oswal Capital Markets (Hongkong) Private Limited	(41)	(41)	–	–	–	–	(41)	(41)
	Motilal Oswal Fincap Private Limited	(5)	–	–	–	–	–	(5)	–
	Glide Tech Investment Advisory Private Limited	6	–	–	–	–	–	6	–
	Motilal Oswal Securities International Private Limited	–	16	–	–	–	–	–	16
	Motilal Oswal Securities International Private Limited	(9)	–	–	–	–	–	(9)	–

Notes to Financial Statement (Contd.)

₹ in Lakhs

Nature of transaction	Name of the related party	Subsidiaries / step-down / fellow subsidiaries*		Holding Company		Key managerial personnel / relative of key managerial personnel / associates		Total	
		For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19
	OSAG Enterprises LLP	-	-	-	-	1	-	1	-
	Motilal Oswal Real Estate Investment Advisors Private Limited	0	-	-	-	-	-	0	-
	Motilal Oswal Home Finance Limited	(17)	-	-	-	-	-	(17)	-
	Motilal Oswal Home Finance Limited	104	23	-	-	-	-	104	23
Total others (payables)		(637)	(239)	-	-	-	-	(637)	(239)
Total others receivables		960	1,199	-	-	1	-	961	1,199
Corporate guarantee given (to the extent of outstanding amount)	Motilal Oswal Home Finance Limited	84,749	74,200	-	-	-	-	84,749	74,200
Total corporate guarantees		84,749	74,200	-	-	-	-	84,749	74,200
Rent deposits (liabilities)/ assets	Motilal Oswal Wealth Management Limited	55	55	-	-	-	-	55	55
Total rent deposits assets		55	55	-	-	-	-	55	55

Outstanding balance in respect of investments in related parties

₹ in Lakhs

Nature of transaction	Name of the related party	Subsidiaries / step-down / fellow subsidiaries*		Holding Company		Key managerial personnel / relative of key managerial personnel / associates		Total	
		For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Investments	Motilal Oswal Commodities Broker Private Limited	90	90	-	-	-	-	90	90
	Motilal Oswal Investment Advisors Limited	4,137	4,137	-	-	-	-	4,137	4,137
	MOPE Investment Advisors Private Limited	1,260	5	-	-	-	-	1,260	5
	Motilal Oswal Fincap Private Limited	118	118	-	-	-	-	118	118
	Motilal Oswal Home Finance Limited	56,633	56,633	-	-	-	-	56,633	56,633
	Motilal Oswal Finvest Limited	55,035	30,035	-	-	-	-	55,035	30,035

Notes to Financial Statement (Contd..)

₹ in Lakhs

Nature of transaction	Name of the related party	Subsidiaries / step-down / fellow subsidiaries*		Holding Company		Key managerial personnel / relative of key managerial personnel / associates		Total	
		For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19
	Motilal Oswal Securities International Private Limited	457	457	-	-	-	-	457	457
	Motilal Oswal Wealth Management Limited	1,521	1,226	-	-	-	-	1,521	1,226
	Motilal Oswal Asset Management Company Limited	13,981	6,501	-	-	-	-	13,981	6,501
	Motilal Oswal Trustee Company Limited	10	10	-	-	-	-	10	10
	Motilal Oswal Capital Markets (Honkong) Private Limited	412	412	-	-	-	-	412	412
	Glide Tech Investment Advisory Private Limited	100	-	-	-	-	-	100	-
	Motilal Oswal Finsec IFSC Limited	240	-	-	-	-	-	240	-
	Motilal Oswal Capital Markets (Singapore) Pte Limited	1,041	1,041	-	-	-	-	1,041	1,041
	India Business Excellence Fund III	-	-	-	-	15,461	12,717	15,461	12,717
	India Realty Excellence Fund II LLP	-	-	-	-	3,525	4,504	3,525	4,502

NOTE 53 : DISCLOSURE RELATING TO EMPLOYEE STOCK OPTION PURCHASE PLAN

Details of stock options : The Company has four employees stock option schemes

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

The Scheme was approved by Board of Directors on 18 October 2007 and by the shareholders on 4 December 2007 by postal ballot and is for issue of 2,500,000 options representing 2,500,000 Equity shares of ₹ 1 each

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

The Scheme was approved by Board of Directors on 21 April 2008 and by the shareholders in AGM dated 08 July 2008 and is for issue of 5,000,000 options representing 5,000,000 Equity shares of ₹ 1 each

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

The Scheme was approved by Board of Directors on 19 July 2014 and by the shareholders in AGM dated 22 August 2014 and is for issue of 2,500,000 options representing 2,500,000 Equity shares of ₹ 1 each

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

The Scheme was approved by Board of Directors on 27 April 2017 and by the shareholders in AGM dated 27 July 2017 and is for issue of 30,00,000 options representing 30,00,000 Equity shares of ₹ 1 each

The activity in the (ESOS-V),(ESOS-VI), ESOS (VII) and ESOS (VIII) during the year ended 31 March 2020 and 31 March 2019 is set below:

Notes to Financial Statement (Contd.)

Particulars	For the year ended 31-Mar-20		For the year ended 31-Mar-19	
	In Numbers	Weighted Average Exercise Price (In ₹)	In Numbers	Weighted Average Exercise Price (In ₹)
ESOP-V : (Face value of ₹ 1 each)				
Option outstanding as at beginning of the year	3,36,900	306.84	5,56,140	249.03
Add Granted	–	–	–	–
Less: Exercised	1,76,400	244.39	2,19,240	160.19
Less: Forfeited	–	–	–	–
Less: Lapsed	12,500	296.15	–	–
Option outstanding as at end of the year	1,48,000	382.18	3,36,900	306.84
Exercisable at the end of the year	58,250	355.91	70,625	291.00
ESOP-VI : (Face value of ₹ 1 each)				
Option outstanding as at beginning of the year	2,58,567	358.48	3,53,227	302.33
Add Granted	–	–	–	–
Less: Exercised	1,52,932	239.67	94,660	148.64
Less: Forfeited	–	–	–	–
Less :Lapsed	60,250	499.57	–	–
Option outstanding as at end of the year	45,385	572.75	2,58,567	358.48
Exercisable at the end of the year	–	–	1,30,699	182.38
ESOP-VII : (Face value of ₹ 1 each)				
Option outstanding as at beginning of the year	17,92,000	424.45	20,74,900	412.81
Add Granted	–	–	–	–
Less: Exercised	7,26,100	360.97	2,82,900	340.26
Less: Forfeited	–	–	–	–
Less :Lapsed	2,03,700	445.06	–	–
Option outstanding as at end of the year	8,62,200	472.56	17,92,000	424.45
Exercisable at the end of the year	2,35,895	435.26	3,03,050	389.35
The (ESOP-VIII) : (Face value of ₹ 1/- each)				
Option outstanding, beginning of the Year.	10,00,000	867.45	–	–
Add Granted	10,55,000	610.96	10,00,000	867.45
Less: Exercised	–	–	–	–
Less: Forfeited	–	–	–	–
Less :Lapsed	88,500	867.45	–	–
Option outstanding as at end of the year	19,66,500	729.85	10,00,000	867.45
Exercisable at the end of the year	91,150	867.45	–	–

Employees' Stock Options Scheme (ESOS) :

Particulars	Scheme V	Scheme VI	Scheme VII	Scheme VIII
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	4 December 2007	8 July 2008	22 August 2014	27 July 2017
Method of settlement	Equity shares	Equity shares	Equity shares	Equity shares

Notes to Financial Statement (Contd..)

Particulars	Scheme V	Scheme VI	Scheme VII	Scheme VIII
Vesting period	1 year to 5 years	1 year to 5 years	1 year to 7 years	1 year to 4 years
Weighted average remaining contractual life (Vesting period)				
Granted but not vested	3.83 years (Previous year 1.51 years)	4.58 years (Previous year 2.19 years)	3.97 years (Previous year 1.96 years)	5.42 years (Previous year NA)
Vested but not exercised	2.42 years (Previous year 0.00 years)	2.86 years (Previous year 0.50 years)	2.48 years (Previous year NA years)	NA (Previous year NA)
Weighted average share price at the date of exercise for stock options exercised during the year	₹ 789.48 (Previous year ₹ 1086.99)	₹ 805.83 (Previous year ₹ 1127.32)	₹ 735.01 (Previous year 1072.67)	NA (Previous year NA)
Exercise period	Within 1 to 3 years of vesting of options			
Vesting conditions	Vesting of options would be subject to continued employment with the Company and / or its holding / subsidiary and thus the options would vest on passage of time. In addition to this, the Remuneration / Compensation Committee may also specify certain performance parameters subject to which the options would vest. In case of performance based vesting, the options would vest on achievement of performance parameters irrespective of the time horizon.			
Granted but not vested	3.67 years (Previous year 3.83 years)	4.23 years (Previous year 4.58 years)	3.79 years (Previous year 3.97 years)	5.10 years (Previous year 5.42 years)
Vested but not exercised	2.21 years (Previous year 2.42 years)	NA (Previous year 2.86 years)	2.42 years (Previous year 2.48 years)	2.42 years (Previous year NA)
Weighted average share price at the date of exercise for stock options exercised during the year	₹ 658.53 (Previous year ₹ 789.48)	₹ 643.86 (Previous year ₹ 805.83)	₹ 659.86 (Previous year 735.01)	NA (Previous year NA)
Exercise period	Within 1 to 3 years of vesting of options			
Vesting conditions	Vesting of options would be subject to continued employment with the Company and / or its holding / subsidiary and thus the options would vest on passage of time. In addition to this, the Remuneration / Compensation Committee may also specify certain performance parameters subject to which the options would vest. In case of performance based vesting, the options would vest on achievement of performance parameters irrespective of the time horizon.			
Weighted Average Fair Value of options (granted but not vested) as on grant date	₹ 169.59 (Previous year ₹ 127.42)	₹ 300.39 (Previous year ₹ 215.25)	₹ 206.29 (Previous year ₹ 178.19)	₹ 251.57 (Previous year ₹ 321.06)
Range of Risk free interest rate	6.05% - 7.8%	6.05% - 7.8%	6.97% - 7.8%	6.18% - 7.37%
Dividend yield	1%	1%	1%	0.5% - 1.38%
Expected volatility	40%	40%	40%	40%

Exercise Pricing Formula

Scheme V

Exercise price shall be the closing price of the Company's equity shares quoted on the BSE immediately preceding the date of Grant of the Stock Options, which for this purpose shall be the date on which the Committee grant the Stock Options, discounted by such percentage as may be determined by the Committee in the best interest of the various stakeholders in the prevailing market conditions

Scheme VI

Exercise price shall be the closing price of the Company's Equity Shares, prior to the date of grant of the Options, on the Stock Exchanges where the highest trading volume is recorded, discounted / increased by such percentage as may be determined by the Committee.

Scheme VII

Exercise price shall be the closing price of the Company's Equity Shares, prior to the date of grant of the Options, on the Stock Exchanges where the highest trading volume is recorded, discounted / increased by such percentage as may be determined by the Committee.

Notes to Financial Statement (Contd.)

Scheme VIII

Exercise price shall be the closing price of the Company's Equity Shares, prior to the date of grant of the Options, on the Stock Exchanges where the highest trading volume is recorded, discounted / increased by such percentage as may be determined by the Committee.

Other Information regarding employee share based payment plan is as below :

	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
Expense arising from employee share based payment plans	1,062	1,344
Total carrying amount at the end of the period of ESOP Reserve	3,733	3,428

The Company provides a sensitivity analysis to show the impact to the Company's profit before taxation in the event that forfeiture and performance condition assumptions exceed or are below the Company's estimations by the stated percentages.

Impact on the income statement of a change in leaver assumptions

	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
(+)5%	(65)	(68)
(-)5%	66	83

NOTE 54 : TAX EXPENSE

The Company pays taxes according to the rates applicable in India. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). Tax is charged to equity when the tax benefit exceeds the cumulative income statement expense on share plans. The Company provides for current tax according to the tax laws of India using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is recognised when it is considered recoverable and herefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Particulars	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
Current tax expense		
Current tax for the year	7,056	8,914
Total current tax expense	7,056	8,914
Deferred taxes		
Change in deferred tax liabilities	(7,326)	(1,927)
Net deferred tax expense	(7,326)	(1,927)
	(270)	6,987
Tax recognised through other comprehensive income:		
Remeasurement of defined benefit plan	14	10
Equity instruments through other comprehensive income	(513)	(84)
Total	(499)	(74)

Notes to Financial Statement (Contd..)

Particulars	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
Tax reconciliation (for profit and loss)		
Profit/(loss) before income tax expense	19,410	39,164
Tax at the rate of 25.17% (for 31 March 2019 - 21.55%)	4,885	8,439
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Exempt Income	(4,046)	(1,744)
Change due to deferred tax	(1,095)	228
Actuarial gain	(14)	(10)
Others	—	20
Income tax expense	(270)	6,933

Effective tax rate

Particulars	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
Effective tax rate	25.168%	21.5488%

In the financial year 2019-20, the government enacted a change in income tax rate from 30% basic rate to 22% and from 12% of surcharge to 10%. However, the government had given an option to either opt for new tax regime or continue with old tax regime and in the context of the same the company has opted for new tax regime. Accordingly the effective income tax rate for financial year 2019-20 is 25.168%

Net Deferred Tax

Particulars	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
Deferred tax liability on account of :		
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	1,395	1,888
Loss on private equity investment	5	7
Deferred tax on IND AS adjustments	742	8,265
Total deferred tax liabilities (A)	2,142	10,160
Deferred tax assets on account of:		
Expenses allowable u/s. 43B on payment basis	409	509
Allowance on impairment	294	387
Provision for impairment of non-current investments	278	278
Total deferred tax assets (B)	981	1,174
Net deferred tax Liability / (Assets) (A-B)	1,161	8,986

Notes to Financial Statement (Contd.)

Deferred tax related to the following:

₹ in Lakhs

Particulars	As at 31 March 2020	Recognised through profit and loss	Recognised through Other Comprehensive Income	As at 31 March 2019	Recognised through profit and loss	Recognised through Other Comprehensive Income	As at 1 April 2018
Deferred tax liabilities on account of:							
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	1,395	(493)	–	1,888	252	–	1,637
Sign on bonus pending write off	–	–	–	–	(6)	–	6
Loss on private equity investment	5	(2)	–	7	(4)	–	11
Deferred tax on IND AS adjustments	742	(7,024)	(499)	8,265	(2,154)	(74)	10,494
Total deferred tax liabilities	2,142	(7,519)	(499)	10,160	(1,912)	(74)	12,148
Deferred tax assets on account of:							
Expenses allowable u/s. 43B on payment basis	409	(100)	–	509	91	–	418
Allowance on impairment	294	(93)	–	387	60	–	328
Interest accrued on optionally redeemable convertible debenture	–	–	–	–	(69)	–	69
Rent income	–	–	–	–	(74)	–	74
Business loss carried forward	–	–	–	–	(22)	–	22
Provision for impairment of non-current investments	278	–	–	278	29	–	249
Total deferred tax assets	981	(193)	–	1,174	15	–	1,160
Total deferred tax Assets/liability (net)	1,161	(7,326)	(499)	8,986	(1,927)	(74)	10,988

NOTE 55 : FAIR VALUE MEASUREMENT

I. Accounting classification and fair values

The following table shows the carrying amount and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

₹ in Lakhs

Particulars	Carrying amount				Fair value			
	FVPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
31-Mar-2020								
Financial assets								
Cash and cash equivalents	–	–	67,668	67,668				
Bank balance other than cash and cash equivalents above	–	–	52,640	52,640				
Receivables	–	–						
(I) Trade receivables	–	–	47,831	47,831				
(II) Other receivables	–	–	820	820				
Loans	–	–	19,963	19,963				
Investments	220,926	22,058	135,035	378,019	183,581	5,863	53,540	242,984
Other financial assets	–	–	13,325	13,325				
Total financial assets	220,926	22,058	337,282	580,266	183,581	5,863	53,540	242,984
Financial liabilities								
Payables								
(I) Trade payables								

Notes to Financial Statement (Contd..)

₹ in Lakhs

Particulars	Carrying amount				Fair value				
	31-Mar-2020	FVPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-				
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	1,56,675	1,56,675					
Debt securities	-	-	106,659	106,659					
Borrowings (Other than debt securities)	-	-	36,313	36,313					
Deposits	-	-	12	12					
Other financial liabilities	-	-	29,199	29,199					
Total financial liabilities	-	-	328,858	328,858	-	-	-	-	-

The carrying value and fair value of financial instruments by categories as of 31 March 2019 are as follows:

₹ in Lakhs

Particulars	Carrying amount				Fair value				
	31-Mar-2019	FVPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Cash and cash equivalents	-	-	25,799	25,799					
Bank balance other than cash and cash equivalents above	-	-	30,652	30,652					
Receivables	-	-							
(I) Trade receivables	-	-	118,413	118,413					
(II) Other receivables	-	-	12	12					
Loans	-	-	52,363	52,363					
Investments	189,284	19,546	100,665	309,495	151,930	6,501	50,399	208,830	
Other financial assets	-	-	3,300	3,300					
Total financial assets	189,284	19,546	331,204	540,034	151,930	6,501	50,399	208,830	
Financial liabilities									
Payables									
(I) Trade payables									
(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-					
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	114,629	114,629					
Debt securities	-	-	39,771	39,771					
Borrowings (Other than debt securities)	-	-	102,180	102,180					
Deposits	-	-	5	5					
Other financial liabilities	-	-	37,115	37,115					
Total financial liabilities	-	-	293,700	293,700	-	-	-	-	

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Notes to Financial Statement *(Contd..)*

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and investment in private equity funds, real estate funds.

II. Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include :

- Quoted equity investments - Quoted closing price on stock exchange
- Mutual fund - net asset value of the scheme
- Alternative investment funds - net asset value of the scheme
- Unquoted equity investments - price multiples of comparable companies.
- Private equity investment fund - NAV of the audited financials of the funds.
- Real estate fund - net asset value, based on the independent valuation report or financial statements of the company income approach or market approach based on the independent valuation report.

III. Financial instruments not measured at fair value

Financial assets not measured at fair value includes cash and cash equivalents, trade receivables, loans and other financial assets. These are financial assets whose carrying amounts approximate fair value, due to their short-term nature.

Additionally, financial liabilities such as trade payables and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short-term nature.

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 March 2020 and 31 March 2019:

Particulars	PE - Business Excellence Funds	PE - Real Estate Funds	Unquoted Shares	Total
As at March 31, 2018	21,792	12,641	2,818	37,251
Additions	6,958	6,924	–	13,882
Disposals	(129)	(1,946)	–	(2,075)
Gains / (losses) recognised in statement of profit and loss	429	730	182	1,341
As at March 31, 2019	29,050	18,349	3,000	50,399
Additions	5,412	3,215	–	8,627
Disposals	–	(902)	–	(902)
Gains / (losses) recognised in statement of profit and loss	(6,580)	1,799	197	(4,584)
As at March 31, 2020	27,882	22,461	3,197	53,540

Valuation inputs and relationships to fair value

The quantitative information about the significant unobservable inputs used in level 3 fair value measurements is summarised below.

Particulars	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Significant unobservable inputs		
NAV of the fund at Fair value		
– increase by 100 bps	503	474
– decrease by 100 bps	(503)	(474)
Fair value of Unquoted shares	3,197	3,000

Notes to Financial Statement (Contd..)

Particulars	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Significant unobservable inputs		
Price Multiple		
– increase by 10 %	320	300
– decrease by 10 %	(320)	(300)

NOTE 56 : FINANCIAL RISK MANAGEMENT

Company has operations in India. Whilst risk is inherent in the Company's activities, it is managed through an integrated risk management framework, including on-going identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities. The Company is exposed to credit risk, liquidity risk and market risk. It is also subject to various operating and business risks.

A. Credit risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties fail to discharge their contractual obligation. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, and by monitoring exposures in relations to such limits. The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented in the financial statements. The Company's major classes of financial assets are cash and cash equivalents, loans, investment in mutual fund units, term deposits, trade receivables and security deposits. Deposits with banks are considered to have negligible risk or nil risk, as they are maintained with high rated banks/financial institutions as approved by the Board of directors. Investments primarily include investment in liquid mutual fund units that are marketable securities of eligible financial institutions for a specified time period with high credit rating given by domestic credit rating agencies. The management has established accounts receivable policy under which customer accounts are regularly monitored. The Company has a dedicated risk management team, which monitors the positions, exposures and margins on a continuous basis.

Following provides exposure to credit risk for trade receivables and margin trading facility loans

Particulars	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Trade and other debtors (Net of impairment)	47,831	1,18,413
Margin trading facility loans (Net of impairment)	19,799	47,562

The financial instruments covered within the scope of ECL include financial assets measured at amortised cost such as trade receivables and loans.

Trade Receivables :

The loss allowance has been measured using lifetime ECL except for financial assets on which there has been no significant increase in credit risk since initial recognition. At each reporting date, the Company assesses whether financial assets carried at amortised cost is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred since initial recognition.

A simplified approach has been considered for measuring expected credit losses (ECLs) of trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of trade receivables. For the purpose of computation of ECL, the term default implies an event where amount due towards margin requirement and / or mark to market losses for which the client was unable to provide funds / collaterals to bridge the shortfall, the same is termed as margin call triggered.

Based on the Industry practices and business environment in which the entity operates, Management considers unsecured receivables as default if the payment is overdue for more than 90 days for direct customer. For franchisee customers, Aggregate of unsecured receivables as reduced by Franchisee deposit/ future brokerages are considered as default. Management would also consider balance in client's family accounts and collaterals in form other than the securities while considering the secured position of the client. Management would also consider impairment on client balance which are unsecured and overdue for less than 90 days on case to case basis, based on their scope of recoverability. For litigation cases, management could provide

Notes to Financial Statement (Contd.)

enhanced provision if the probability of outflow of economic resource is higher. If there are specific cases which are overdue for more than 90 days and the management is very confident of its recovery in near future, impairment loss would not be provided for such cases based on the approval of business head for each reporting period. Probability of default (PD) on these receivables is considered at 100% and treated as credit impaired.

Loans :

Loans includes Margin Trading Facility(MTF), Loans to staff and loans to subsidiaries for which staged approach is taken into consideration for determination of ECL.

Stage 1.

All positions in the MTF loan book are considered as stage 1 asset for computation of expected credit loss. For exposures where there has not been a significant increase in credit risk since initial recognition and that is not credit impaired upon origination. Margin trading facility, Loans to subsidiaries and loans to staff are considered in stage 1 for determination of ECL. Exposure to credit risk in stage 1 is computed considering historical probability of default, market movements and macro-economic environment.

Stage 2.

Exposures under stage 2 include dues up to 90 days pertaining to principal amount, interest and any other charges on the MTF loan book which are unsecured. While arriving at the secured position of the client, management would also consider balance in client's family accounts, securities in other segment and collaterals in form other than the securities while considering the secured position of the client. At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Company uses days past due information and other qualitative factors to assess deterioration in credit quality of a financial asset.

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised

Stage 3.

Exposures under stage 3 include dues past 90 days pertaining to principal amount, interest and any other charges on MTF loan book which are unsecured. Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised.

Following table provide information about exposure to credit risk and ECL on Margin Trading Facility loans.

Stage	As at 31-Mar-20 ₹ in Lakhs		As at 31-Mar-19 ₹ in Lakhs	
	Carrying value	ECL	Carrying value	ECL
Stage 1	19,963	50	52,363	–
Stage 2	–	–	–	–
Stage 3	–	–	–	–

The movement in the allowance for impairment in respect of trade receivables is as follows:

Particulars	Carrying amount	Carrying amount
	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Opening balance	1,063	762
Impairment loss recognised	40	301
Closing balance	1,103	1,063

B. Liquidity risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation

Notes to Financial Statement (Contd.)

Prudent liquidity risk management requires sufficient cash and marketable securities and availability of funds through adequate committed credit facilities to meet obligations when due and to close out market positions.

The Company has a view of maintaining liquidity with minimal risks while making investments. The Company invests its surplus funds in short term liquid assets in bank deposits and liquid mutual funds. The Company monitors its cash and bank balances periodically in view of its short term obligations associated with its financial liabilities.

Refer Note 58 For analysis of maturities of financial assets and financial liabilities.

C. Market Risk

Market risk is the risk that the fair value or future Cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Foreign currency risk management

In respect of the foreign currency transactions, the company does not hedge the exposures since the management believes that the same is insignificant in nature and will not have a material impact on the Company.

The company's exposure to foreign currency risk at the end of reporting period is shown in note 49

(ii) Interest rate risk

The Company is exposed to Interest risk if the fair value or future cash flows of its financial instruments will fluctuate as a result of changes in market interest rates. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates.

The Company's interest rate risk arises from interest bearing deposits with bank and loans given to customers. Such instruments exposes the Company to fair value interest rate risk. Management believe that the interest rate risk attached to this financial assets are not significant due to the nature of this financial assets.

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Variable rate borrowing	19,813	93,180
Fixed rate borrowing	123,159	48,771
Total Borrowing	142,972	141,951

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Company's statement of profit and loss and equity.

Particulars	Impact on profit after tax	
	31-Mar-20	31-Mar-19
Interest rates – increase by 1%	(147)	(690)
Interest rates – decrease by 1%	147	690

(iii) Market price risks

The Company is exposed to market price risk, which arises from FVTPL and FVOCI investments. The management monitors the proportion of these investments in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the appropriate authority.

Particulars	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Exposure to price risk	128,874	140,617

Notes to Financial Statement (Contd.)

Sensitivity to price risk

The following table summarises the impact of sensitivity of NAVs / price with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the NAVs / price of the investments held at FVTPL/ FVOCI at balance sheet date:

Particulars	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Impact on profit before tax for 10% increase in NAV / price	12,887	14,062
Impact on profit before tax for 10% decrease in NAV / price	(12,887)	(14,062)

NOTE 57 : CAPITAL MANAGEMENT

Risk management

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Particulars

Gross debt*

Less: Cash and bank balances

Net debt (A)

Total equity (B)

Gearing ratio (A / B)

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Gross debt*	142,972	141,952
Less: Cash and bank balances	120,308	56,452
Net debt (A)	22,664	85,500
Total equity (B)	276,414	259,356
Gearing ratio (A / B)	8.20%	32.97%

*Debt includes debt securities as well as borrowings.

NOTE 58 : MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

₹ in Lakhs

Assets	31 March 20			01 April 19		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	112,614	7,694	120,308	50,739	5,713	56,452
Trade receivables	47,831	–	47,831	118,413	–	118,413
Other receivables	820	–	820	12	–	12
Loans	19,963	–	19,963	52,363	–	52,363
Investments	110,913	267,107	378,020	65,213	244,281	309,494
Other financial assets	–	13,325	13,325	–	3,300	3,300
	292,141	288,125	580,266	286,740	253,294	540,034
Non-Financial assets						
Current Tax assets	–	1,338	1,338	23	–	23
Investment Property	–	7,813	7,813	8,279	8,279	
Property, plant and equipment	–	20,785	20,785	–	18,424	18,424
Intangible assets under development	–	–	–	130	130	
Other Intangible assets	–	2,139	2,139	–	1,404	1,404
Other non-financial assets	4,249	–	4,249	2,330	–	2,330
	4,249	32,075	36,324	2,353	28,237	30,590
Total Assets	296,390	320,200	616,590	289,093	281,531	570,624

Notes to Financial Statement (Contd.)

₹ in Lakhs

Assets	31 March 20			01 April 19		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Liabilities						
Financial Liabilities						
Trade payables	156,675	–	156,675	114,629	–	114,629
Debts	106,659	–	106,659	39,771	–	39,771
Borrowings	36,313	–	36,313	102,180	–	102,180
Deposits	–	12	12	–	5	5
Other financial liabilities	27,672	1,527	29,199	37,115	–	37,115
	327,319	1,539	328,858	293,695	5	293,700
Non Financial Liabilities						
Current tax liabilities (net)	583	–	583	–	–	–
Provisions	7,095	904	7,999	6,547	850	7,397
Deferred tax liabilities	–	1,161	1,161	–	8,986	8,986
Other non financial liabilities	1,575	–	1,575	1,185	–	1,185
	9,253	2,065	11,319	7,732	9,836	17,568
Liabilities held for sale						
Total Liabilities	336,572	3,604	340,176	301,427	9,841	311,268

NOTE 59 : REVENUE FROM CONTRACT WITH CUSTOMERS

The Company derives revenue primarily from the share broking business. Its other major revenue sources are the Portfolio management fees and commission income and Interest income.

Disaggregate revenue information

- 1 The table below presents disaggregate revenues from contracts with customers for the year ended 31 March 2020 and 31 March 2019. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by market and other economic factors.

Nature of Services

- Broking Income - Income from services rendered as a broker is recognised upon rendering of the services, in accordance with the terms of contract.
- Portfolio management fees and commission income - Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract. Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be. Commissions and fees recognised as aforesaid are exclusive of goods and service tax, securities transaction tax, stamp duties and other levies by SEBI and stock exchanges.
- Interest Income - Interest is earned on delayed payments from clients and amounts funded to them. Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable.
- Depository Income - Income from services rendered on behalf of depository is recognised upon rendering of the services, in accordance with the terms of contract.

2. Disaggregate revenue information

Particulars	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Operating segment :		
Brokerage income	75,858	66,780
Portfolio management fees and commission income	10,937	10,835
Interest income	17,291	17,254
Depository income	2,541	2,356

Notes to Financial Statement *(Contd..)*

3. 3. Nature, timing of satisfaction of the performance obligation and significant payment terms.

- (i) Income from services rendered as a broker is recognised upon rendering of the services.
- (ii) Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract.
- (iii) Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be, on issue of the insurance policy to the applicant.
- (iv) Interest is earned on delayed payments from clients and amounts funded to them as well as term deposits with banks.
- (v) Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable.
- (vi) Income from services rendered on behalf of depository is recognised upon rendering of the services, in accordance with the terms of contract.

The above services are point in time in nature, and no performance obligation remains once the transaction is executed.

Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract, and are over the period in nature.

NOTE 60 : ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for borrowings are:

Particulars	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Financial assets		
First charge		
Receivables		
(I) Trade receivables	40,725	57,000
Floating charge		
Investments	78,744	85,941
Non-financial assets		
First charge		
Property, plant and equipment	57,078	41,510
Total assets pledged as security	176,547	184,451

Terms and conditions:

1. Investments, Trade receivables, Loans and Property, plant and equipments are pledge with Banks and NBFCs to against borrowing facilities taken by the Group.
2. The margin of two times cover is provided against the loan facilities for pledge of Investments and Trade receivables and 1.67 times for Property, plant and equipment.

NOTE 61 : CORPORATE SOCIAL RESPONSIBILITY

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from 1 April 2014. As per the provisions of the said section, the Company has undertaken the following CSR initiatives during the financial year 2019-20.

CSR initiatives majorly includes supporting under privileged in education, medical treatments, etc. and various other charitable and noble aids.

- 1) Gross amount required to be spent by the Company during the year ₹ 466 lakhs (Previous year ₹ 446 lakhs)
- 2) Amount spent during the year ended 31 March 2020 on :

Notes to Financial Statement (Contd..)

₹ in Lakhs

Particulars	Amount paid	Yet to be paid	Total
a) Construction / acquisition of any asset	354	–	354
b) on purposes other than (a) above	341	–	341
Total	695	–	695

Amount spent during the year ended 31 March 2019 on :

₹ in Lakhs

Particulars	Amount paid	Yet to be paid	Total
a) Construction / acquisition of any asset	205	–	205
b) on purposes other than (a) above	312	–	312
Total	517	–	517

- 3) Above includes a contribution of ₹ 472 lakhs (Previous year ₹ 409 lakhs) to Motilal Oswal Foundation which is classified as related party under Ind AS 24- “Related Party Disclosures”

NOTE 62 : SLUMP SALE

Pursuant to receipt of Order dated 30 July 2018 from the Hon’ble National Company Law Tribunal, Mumbai Bench (“NCLT”) approving the Scheme of Amalgamation of Motilal Oswal Securities Limited (“Transferor Company”) with Motilal Oswal Financial Services Limited (“Transferee Company” or “Company”) and their respective shareholders (“Scheme”), the Board of Directors (“Board”) of the Company at its Meeting held on 21 August 2018, inter-alia, has made the Scheme effective from 21 August 2018. The appointed date is 1 April 2017.

The Company has transferred the lending business by way of a slump sale on a going concern basis, to its wholly owned subsidiary, Motilal Oswal Finvest Limited (‘MOFL’) (formerly known as ‘Motilal Oswal Capital Markets Limited’) as contemplated in the Business Transfer Agreement (‘BTA’) dated August 20, 2018 at a consideration of ₹ 5,000 lakhs.

NOTE 63: NEGATIVE PRICE SETTLEMENT OF FUTURES APRIL WEST TEXAS INTERMEDIATE(WTI) CONTRACT

On 20 April 2020 due to the significant fall in global crude oil prices, Futures April West Texas Intermediate(WTI) Contract traded on Multi Commodity Exchange (‘MCX’) was settled in negative prices as per MCX circular dated April 21, 2020. The customers who entered on the buy side of the contract had to settle for negative price on expiry. While entering the contract for taking exposure on the contract value, the customers were required to pay only the margin as required by the exchange including mark to market losses. In relation to such contracts, the Company has net receivables from the clients aggregating ₹ 8,931 lakhs. A writ petition has been filed in the Honourable High Court of Bombay, against negative price settlement of Crude Oil on 21 April 2020. Also MOFSL has filed an petition u/s 9 of Arbitration Act, 1996 against one of the major client for securing recovery of an amount of ₹ 8,074 Lakhs . Since the condition, i.e., fall in Crude Oil price occurred subsequent to the balance sheet date, the same has been considered as a non-adjusting event in the financial statements, in accordance with the requirements of Indian Accounting Standard - 10, Events after the reporting period.

NOTE 64 : IMPACT OF COVID-19

The SARS-CoV-2 virus responsible for COVID-19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a significant decrease in the economic activities. On 11 March 2020, the COVID-19 outbreaks declared as a global pandemic by the World Health Organisation. On 24 March 2020 the Indian Government had announced a strict 21 day lockdown which kept on getting extended across the country with gradual and modest relaxations.

The Company as a Sponsor / as a part of its Investment portfolio makes various investments in the Alternative Funds (Private Equity Funds & Real Estate Funds). The company fair values these investments at every Balance sheet date and the Mark to Market impact on the same is taken in the Statement of Profit & Loss for the reporting period. Fair valuation of these Investments amounting to ₹ 50,162 lakhs are dependent on respective Fund’s Fair value which is determined by Scheme’s Investment Manager. They are required to make judgements, estimates and assumptions which are also based on historical experience and various other factors including the possible effects that may result from the pandemic, that are believed to be reasonable under the current circumstances.

Notes to Financial Statement *(Contd..)*

Given the dynamic nature of the pandemic situation, the carrying valuation of the Company's investment in Private Equity Funds and Real Estate Funds as at March 31, 2020, may be affected by the severity and duration of the outbreak.; however the Company believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results resulting out of fair valuation of these investments. However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

As per our attached report of even date

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

Sudhir N. Pillai

Partner

Membership Number: 105782

Place : Mumbai

Date : 11th May 2020

For and on behalf of the Board of Directors

Motilal Oswal Financial Services Limited

Motilal Oswal

Managing Director and Chief executive officer

DIN : 00024503

Shalibhadra Shah

Chief Financial Officer

Place : Mumbai

Date : 11th May 2020

Raamdeo Agarawal

Non-Executive Chairman

DIN : 00024533

Kailash Purohit

Company Secretary

Consolidated Financial Statements



Independent Auditor's Report

To the Members of Motilal Oswal Financial Services Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying consolidated financial statements of **Motilal Oswal Financial Services Limited** ('the Holding Company'/'the Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint venture, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associate and joint venture the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group, its associate and joint venture, as at 31 March 2020, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 17 of the Other Matters section below is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 43, relating to carrying value of Investments in Real Estate Funds and Private Equity Funds amounting to ₹ 52,596 lakhs as at 31 March 2020. As described in the note, the carrying value of such investments is subject to the uncertainties related to the impact of the COVID 19 pandemic. Our opinion is not modified in respect of this matter.

Key Audit Matters

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associate and joint venture, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Information Technology system for the financial reporting process (i) Motilal Oswal Financial Services Limited and Motilal Oswal Home Finance Limited are highly dependent on its information technology (IT) systems for carrying on its operations which require large volume of transactions to be processed on a daily basis. Further, both Company's accounting and financial reporting processes are dependent on the automated controls enabled by IT systems and information extracted from loan management systems which impacts key financial	Our key audit procedures with the involvement of our IT specialists included, but were not limited to, the following: <ul style="list-style-type: none">• In relation to key accounting and financial reporting systems, we obtained an understanding of both Company's IT General Controls (ITGC), IT infrastructure and identified IT applications, databases and operating systems that are relevant to our audit. Also, obtained an understanding of key automated controls operating over such identified IT applications;

Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
<p>accounting and reporting items such as Brokerage income, Trade receivable, loans and advances, interest income, impairment of loans amongst others.</p> <p>The controls implemented by both Company in its IT environment determine the integrity, accuracy, completeness and validity of data that is processed by the applications and is ultimately used for financial reporting.</p> <p>Further, the prevailing COVID-19 situation has caused the required IT applications to be made accessible to the employees on a remote basis.</p> <p>We have focused on user access management, change management, segregation of duties, and developer access to the production environment and changed to IT environment and data migration from one system to another system. Further, we also focused on key automated controls relevant for financial reporting. Further, the prevailing COVID-19 situation has caused the required IT applications to be made accessible to the employees on a remote basis.</p> <p>Accordingly, since our audit strategy has focused on key IT systems and controls due to the pervasive nature including the complexity of the IT environment and included extensive testing of automated controls and general controls, we have determined IT systems and controls as a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> • Obtained understanding of IT infrastructure i.e. operating systems and databases supporting the identified systems and related data security controls in relation to large number of users working on the entity's systems remotely in the light of COVID-19; • Tested the design and operating effectiveness of both Company's IT controls over IT applications as identified above; • For the IT applications identified above, tested sample of key IT general controls particularly logical access, password management, change management, aspects of IT operational controls and backup procedures. • Tested that requests for access to systems were appropriately reviewed and authorized; tested controls around both Company's periodic review of access rights; inspected requests of changes to systems for appropriate approval and authorization; • Tested related interfaces, configuration and other application layer controls identified during our audit and report logic for system generated reports relevant to the audit mainly for Brokerage income, Trade receivable ageing, Loans and Advances, Interest income, Impairment allowance for evaluating the completeness and accuracy. • Where deficiencies were identified, tested compensating controls or performed alternative procedures. • Tested the design and operating effectiveness of Change Management controls to assess authorised changes are moved to production environment.
<p>(ii) System Migration of Broking operations system</p> <p>During the year ended 31 March 2020; the Company has migrated to new Broking operations system from its erstwhile system for its broking and other related operations. Such significant system change increases the risk to the internal financial controls environment. These changes represent a financial reporting risk while migration takes place as controls and processes that have been established over the period are updated and migrated into a new environment.</p> <p>Accordingly, since our audit strategy has focused on key IT systems and controls due to pervasive nature including the complexity of the IT environment and included extensive testing of automated controls and general controls followed by significance of the activity involved in the migration process; we have determined the IT systems and controls as a key audit matter for current year audit.</p>	<p>System Migration</p> <ul style="list-style-type: none"> • Reviewed data migration process followed by the Company with regard to migration of critical masters and accounts from erstwhile system to the new system; • Evaluated the controls established by the management for the migration activity to ensure the activity has been completed appropriately; • Evaluated the design and tested the operating effectiveness of key automated controls both before and after the migration, including IT general controls; • Obtained an understanding of the cut off procedures which were followed surrounding the conversion activities. This included, assessment of impact on access privileges and segregation of duties and review of account balances for the completeness and accuracy of information.
<p>Valuation of Unquoted investments carried at fair value Refer note 2.9 for significant accounting policies and note 57 for financial disclosures</p> <p>As at 31 March 2020, the Company held Investment in Shubham Housing Development Finance Company Private Limited amounting to ₹ 3,197 Lacs which represents 0.32% of the total asset of the Company as at 31 March 2020.</p>	<p>Our audit procedures in relation to valuation of investments with the involvement of our valuation experts included, but were not limited to, the following:</p>

Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
<p>This investment is not traded in the active market. The fair valuation of this investment is determined by a management-appointed independent valuation expert based on discounted cash flow method. The process of computation of fair valuation of investment include use of unobservable inputs and management judgements and estimates which are complex.</p> <p>The key assumptions underpinning management's assessment of fair value of these investments, include application of liquidity discounts; calculation of discounting rates and the estimation of projections of revenues, projections of future cash flows, growth rates.</p> <p>The valuation of this investment was considered to be one of the areas which required significant auditor attention and was one of the matters of most significance in the standalone financial statements due to the materiality of total value of investments to the standalone financial statements and the complexity involved in the valuation of these investments.</p>	<p>Design/Controls:</p> <ul style="list-style-type: none"> • Obtained a detailed understanding of the management's process and controls for determining the fair valuation of this investment. The understanding was obtained by performance of walkthroughs which included inspection of documents produced by the Company and discussion with those involved in the process of valuation; • Evaluated the design and the operational effectiveness of relevant key controls over the valuation process, including the Company's review and approval of the estimates and assumptions used for the valuation including key authorization and data input controls, independent price verification performed by the management expert and model governance and valuation. <p>Substantive tests:</p> <ul style="list-style-type: none"> • Assessed the appropriateness of the valuation methodology of investment in accordance with the Company's policy and tested the mathematical accuracy of the management's model adopted for the investment; • Obtained the valuation reports done by the management's expert and assessed the expert's competence, objectivity and independence in performing the valuation of this investment; • Ensured the appropriateness of the carrying value of this investment in the financial statements and the gain or loss recognised in the financial statements as a result of such fair valuation; • Ensured the appropriateness of the disclosures in accordance with the applicable accounting standards and • Obtained written representations from the management and those charged with governance whether they believe significant assumptions used in valuation of the investments are reasonable.
<p>Impairment of loans and advances to customers</p> <p>Refer note 2.9(ii) Financial Instruments: Impairment and note 3(b) Key accounting estimates and judgements for significant accounting policies and note 7 for financial disclosures</p> <p>As at 31 March 2020, Motilal Oswal Home Finance Limited ('the Company') has reported gross loans and advances of INR 367,087 lacs against which an impairment loss allowance of INR 4,333 lacs is recognised as at year-end.</p>	<p>Our audit procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Considered the Company's accounting policies for impairment of financial instruments and assessed compliance with the policies in terms of Ind AS 109. • Obtained an understanding of management's process including the key inputs and assumptions used, systems and controls implemented in relation to impairment allowance process. • Obtained the policy on moratorium of loans approved by the Board of Directors pursuant to the regulatory announcement made by the RBI. • Assessed and tested the design and operating effectiveness of key internal financial controls over the loan impairment process used to calculate the impairment charge.

Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
<p>Ind AS 109, Financial Instruments requires the Company to provide for impairment of its financial assets using the expected credit loss ('ECL') approach which involves estimates for probability of loss on the financial assets over their life, considering reasonable and supportable information about past events, current conditions and forecasts of future economic conditions which could impact the credit quality of the Company's financial assets. In this process, substantial judgement has been applied by the management in assessing the 'significant increase in credit risk' in respect of following matters:</p> <p>a) The Company has grouped its loan portfolio based on days past due and other qualitative criteria as mentioned in the Credit-risk section under note 58. Loans grouped under a particular category are assumed to represent a homogenous pool thereby expected to demonstrate similar credit characteristics.</p> <p>b) Staging of loans and estimation of behavioral life.</p> <p>c) Estimation of expected loss from historical observations.</p> <p>d) Estimation of losses in respect of those groups of loans which had no/ minimal defaults in the past.</p> <p>The Company has developed models that derive key assumptions used within the provision calculation such as probability of default (PD) and loss given default (LGD).</p> <p>Considering the significance of above model for impairment to the overall financial statements and the degree of management's estimates and judgments involved including the regulatory announcement of moratorium facility for certain customers, this area required significant auditor attention to test such complex accounting estimates. Therefore, we have determined this to be a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> Assessed the critical assumptions used by the management including the impact due to the moratorium facility availed by certain customers for estimation of allowance for expected credit losses as at 31 March 2020, which included: <ul style="list-style-type: none"> examining on sample basis, data inputs to the discounted cash flow models corroborating the forecasts of future cash flows prepared on the basis of expected repayments from the borrowers testing collateral valuation adopted based on internal policies of the Company on a sample basis Assessed the assumptions used by the Company for grouping and staging of loan portfolio into various categories and default buckets based on their past-due status and other qualitative factors identified by the management which indicate significant increase in credit risk. For a sample of exposures, we tested the appropriateness of such staging. Understood and checked the key data sources and assumptions for data used in the ECL model used by the Company to determine impairment provisions. Performed sample testing to ascertain the completeness and accuracy of the input data used for determining the PD and LGD rates and agreed the data with the underlying books of accounts and records. Tested the arithmetical accuracy of computation of ECL provision performed by the Company.

7. The other auditors of the component Motilal Oswal Commodities Broker Private Limited (MOCBPL, the Company) vide their audit report on the financial statements of the component have reported the following Key Audit Matter which has been reproduced below:

<p>Legal & Regulatory Risk:</p> <p>Refer Note 6 point 3 of the financial statements</p> <p>Following default at NSEL in 2012 and initial investigations by Economic Offences Wing (EOW) and complaints received from investors against the broker of the now defunct spot exchange, NSEL and EOW in March and April 2015 had requested SEBI to take appropriate actions. However, In EOW report there was no allegation against MOCBPL.</p> <p>In this matter, SEBI has issued Show Cause Notice to MOCBPL in financial year i.e. 2017-18 relating to NSEL Scam, for which management has replied accordingly.</p> <p>SEBI vide its order dated 22 February 2019, rejected MOCBPL's registration application on the grounds that it is not fit and proper person to hold, directly or indirectly, the certificate of registration as commodity derivatives broker.</p>	<p>Following are the areas where risks are assessed & procedures were followed.</p> <ul style="list-style-type: none"> Recording of Receivables & Dues - NSEL: After scrutinizing the books of accounts & discussion with the management it has been found that the amounts receivable from NSEL (Exchange) & due to the clients have direct nexus and MOCBPL has the role of a broker only. Hence, the amount receivable from Exchange has not been provided for Doubtful debts as they are directly payable to the Clients. Impact of SEBI order on the MOCBPL business: The Company has already ceased its Commodity Broking business from April 2018. Also, the order of SEBI signifies that MOCBPL's registration application as Commodities Broker may be rejected; however, the management does
---	---

Independent Auditor's Report *(Contd.)*

Key audit matter	How our audit addressed the key audit matter
	<p>not plan to continue its Commodities Broking business under the company (MOCBPL). The company has also filed an appeal against the order of SEBI before the Securities Appellate Tribunal (SAT) & the same is currently pending.</p> <ul style="list-style-type: none"> The company may have to refund the brokerage charged from the clients against which the management has already made provision in the books of accounts. <p>Our procedures with respect to approaching the KAM:</p> <ul style="list-style-type: none"> – Enquiring with Accounts & Finance Team: We have discussed with Finance team, Management & have scrutinized books of accounts. – Assessing management's conclusions & ensuring that updates regarding the matter are informed to us on timely basis. <p>Our results: Based on the above procedures, whilst noting the inherent uncertainty with such legal matters, we concluded treatment of the matter as satisfactory.</p>

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

8. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

9. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associate and joint venture in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Independent Auditor's Report *(Contd..)*

10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of the Group and of its associate and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
11. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associate and joint venture.

Auditor's Responsibilities for the Audit of the Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint venture to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, and its associate and joint venture, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in

Independent Auditor's Report (Contd.)

extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

17. We did not audit the financial statements of nine subsidiaries, whose financial statements reflects total assets of ₹ 50,504 lakhs and net assets of ₹ 22,123 lakhs as at 31 March 2020, total revenues of ₹ 13,335 lakhs and net cash inflows amounting to ₹ 34 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive loss) of ₹ 2,582 lakhs for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of one associate and one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associate and joint venture, are based solely on the reports of the other auditors.

Further, of these subsidiaries, associate and joint venture, one subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiary located outside India, is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

18. We did not audit the financial statements of two subsidiaries, whose financial statements reflects total assets of ₹ 505 lakhs and net assets of ₹ 435 lakhs as at 31 March 2020, total revenues of ₹ 338 lakhs and net cash inflows amounting to ₹ 90 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

19. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 17, on separate financial statements of the subsidiaries, associate and joint venture, we report that the Holding Company and 15 subsidiary companies covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
20. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, associate and joint venture, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

Independent Auditor's Report *(Contd..)*

- d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies covered under the Act, none of the directors of the Group companies covered under the Act, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure I';
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associate and joint venture:
 - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and joint venture as detailed in Note 40 to the consolidated financial statements;
 - ii. the Holding Company, its associate and joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies during the year ended 31 March 2020; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Place: Mumbai
Date: 11 May 2020

Independent Auditor's Report (Contd.)

ANNEXURE 1 - LIST OF ENTITIES INCLUDED IN THE STATEMENT

List of subsidiaries

Name of the Company

Motilal Oswal Commodities Broker Private Limited
Motilal Oswal Investment Advisors Limited (Formerly known as Motilal Oswal Investment Advisors Private Limited)
MOPE Investment Advisors Private Limited
Motilal Oswal Fincap Private Limited (Formerly known as Motilal Oswal Insurance Brokers Private Limited)
Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Limited)
Motilal Oswal Wealth Management Limited
Motilal Oswal Asset Management Company Limited
Motilal Oswal Trustee Company Limited
Motilal Oswal Securities International Private Limited
Motilal Oswal Capital Markets (Hongkong) Private Limited
Motilal Oswal Capital Markets (Singapore) Pte. Limited
Motilal Oswal Real Estate Investment Advisors Private Limited
Motilal Oswal Real Estate Investment Advisors II Private Limited
Motilal Oswal Home Finance Limited (Formerly known as Aspire Home Finance Corporation Limited)
India Business Excellence Management Company
Motilal Oswal Asset Management (Mauritius) Private Limited
Motilal Oswal Capital Limited
Glide Tech Investment Advisory Private Limited
Motilal Oswal Finsec IFSC Limited

List of Associate

India Reality Excellence Fund II LLP

List of Joint Venture

India Business Excellence Fund III

Annexure I to the Independent Auditor's Report of even date to the members of Motilal Oswal Financial Service Limited on the consolidated financial statements for the year ended 31 March 2020

ANNEXURE I

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Motilal Oswal Financial Services Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint venture as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company and its 15 subsidiary companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its 15 subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its 15 subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we

Independent Auditor's Report (Contd.)

comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its 15 subsidiary companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the 15 subsidiary companies and the Holding Company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements in so far as it relates to seven subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of R 48,067 lakhs and net assets of R 19,836 lakhs as at 31 March 2020, total revenues of R 11,478 lakhs and net cash inflows amounting to R 341 lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its 15 subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

UDIN:

Sudhir N. Pillai

Partner

Membership No.: 105782

Place: Mumbai

Date: 11 May 2020

Consolidated Balance Sheet

Particulars	Note No.	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
I. ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	4	84,352	37,368
(b) Bank balance other than (a) above	5	53,443	31,539
(c) Receivables	6		
(I) Trade receivables		74,553	151,733
(II) Other receivables		145	76
(d) Loans	7	407,947	487,844
(e) Investments	8	308,850	268,591
(f) Other financial assets	9	14,925	9,202
Total financial assets (A)		944,215	986,353
2. Non-financial asset			
(a) Current tax assets (net)	10	4,043	1,823
(b) Deferred tax assets (net)	11	12,428	14,290
(c) Investment property	12	3,465	3,518
(d) Property, plant and equipment	13(a)	27,321	24,890
(e) Capital/ Intangible assets under development	13(b)	–	11
(f) Other intangible assets	13(c)	2,548	1,802
(g) Other non-financial assets	14	17,040	15,488
Total non-financial assets (B)		66,845	61,822
Total Assets (A+B)		1,011,060	1,048,175
II. LIABILITIES AND EQUITY			
Liabilities			
1. Financial liabilities			
(a) Payables	15		
(i) Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises		–	–
(ii) total outstanding dues of creditor other than micro enterprises and small enterprises		179,798	139,062
(b) Debt securities	16	282,326	258,160
(c) Borrowings (Other than debt securities)	17	180,355	257,612
(d) Deposits	18	12	5
(e) Other financial liabilities	19	37,464	55,878
Total financial liabilities (A)		679,955	710,717
2. Non - financial liabilities			
(a) Current tax liabilities (net)	20	955	1,290
(b) Provisions	21	12,538	11,941
(c) Deferred tax liabilities (net)	22	2,699	12,148
(d) Other non - financial liabilities	23	2,624	2,656
Total non-financial liabilities (B)		18,816	28,035
3. Equity			
(a) Equity share capital	24	1,481	1,457
(b) Other equity	25	307,149	303,887
(c) Non-controlling interests		3,659	4,079
Total Equity (C)		312,289	309,423
Total Liabilities and Equity (A+B+C)		1,011,060	1,048,175
Summary of significant accounting policies and other explanatory information to the consolidated financial statements	1-63		

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

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

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

Sudhir N. Pillai
Partner
Membership Number: 105782

Motilal Oswal
Managing Director and Chief Executive Officer
DIN : 00024503

Shalibhadra Shah
Chief Financial Officer

Raamdeo Agarawal
Non-Executive Chairman
DIN : 00024533
Kailash Purohit
Company Secretary

Place : Mumbai
Date : 11th May 2020

Place : Mumbai
Date : 11th May 2020

Consolidated Statement of Profit and Loss

Particulars	Note No.	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
1) INCOME			
(a) Revenue from operations			
(a) Interest income	26	76,754	81,783
(b) Dividend income	27	194	37
(c) Rental income	28	39	363
(d) Fees and commission income	29	154,922	151,540
(e) Net gain on fair value changes	30	–	7,376
(f) Other operating income	31	3,846	3,826
Total revenue from operations		235,755	244,925
(b) Other income	32	786	1,249
Total income (a+b) (1)		236,541	246,174
2) EXPENSES :			
(a) Finance costs	33	49,447	51,685
(b) Fees and commission expense	34	46,911	46,164
(c) Net loss on fair value change	30	21,902	–
(d) Impairment on financial instruments	35	9,130	36,041
(e) Employee benefits expense	36	53,980	50,177
(f) Depreciation and amortization expense	37	3,971	2,395
(g) Other expenses	38	22,681	21,922
Total expenses (2)		208,022	208,384
3) Profit before tax (3) = (1) - (2)		28,519	37,790
4) Tax expenses/ (credit)	39		
(a) Current tax		13,371	18,426
(b) Deferred tax expenses / (credit)		(6,424)	(9,100)
(c) Short/(excess) provision for earlier years		32	(61)
Total tax expenses (4)		6,979	9,265
5) Profit after tax (5) = (3) - (4)		21,540	28,525
6) Share of profit from associates & joint venture (net of taxes)		(2,582)	1,306
7) Profit/(Loss) after tax and share in profit/(loss) of associate & joint venture		18,958	29,831
8) Other comprehensive income			
(a) Items that will not be reclassified to profit or loss			
– Remeasurement of the defined employee benefit plans		201	190
– Fair value gain/(loss) of investment held through fair value through other comprehensive income		(6,914)	(470)
(b) Tax expenses relating to items that will not be reclassified to profit or loss		727	(10)
Total other comprehensive income/(loss) (8)		(5,986)	(290)
9) Total comprehensive income (9) = (7)+(8)		12,972	29,541
10) Net profit attributable to:			
Owners of parent		18,337	29,397
Non-controlling interests		621	434
11) Other comprehensive income attributable to:			
Owners of parent		(5,983)	(292)
Non-controlling interests		(3)	2
12) Total comprehensive income attributable to: (12) = (10)+(11)			
Owners of parent		12,354	29,105
Non-controlling interests		618	436
13) Earning per share (₹ 1 each)	44		
Basic (amount in ₹)		12.47	20.21
Diluted (amount in ₹)		12.20	19.67
Summary of significant accounting policies and other explanatory information to the consolidated financial statements	1-63		

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

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

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

Sudhir N. Pillai
Partner
Membership Number: 105782

Motilal Oswal
Managing Director and Chief Executive Officer
DIN : 00024503

Raamdeo Agarawal
Non-Executive Chairman
DIN : 00024533
Kailash Purohit
Company Secretary

Shalibhadra Shah
Chief Financial Officer

Place : Mumbai
Date : 11th May 2020

Place : Mumbai
Date : 11th May 2020

Consolidated Cash Flow Statement

Particulars	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	28,519	37,790
Adjustments for:		
Impairment on financial instruments	9,130	36,041
Depreciation and amortisation expense	3,971	2,395
Provision for gratuity	810	755
Employee stock option expenditure	1,098	1,897
Profit / (loss) from partnership gain and joint venture	(2,977)	1,808
Net loss/(gain) on fair value change	21,902	(8,025)
Profit on sale of property, plant and equipment (Net)	(93)	(2)
Interest income	(33)	(67)
Dividend income	(194)	(37)
Interest expense pertaining to lease liability	375	–
Operating profit	62,508	72,555
Adjustment for working capital changes:		
(Increase) / decrease in trade receivables	75,742	(48,043)
(Increase) / decrease in other receivables	(69)	4,754
(Increase) in other financial assets	(5,723)	(7,140)
(Increase) / decrease in other non financial assets	(1,551)	1,279
Decrease in loans	72,207	30,871
Investment in Fixed deposit having maturity more than 3 months (Net of maturity)	(21,879)	(16,751)
(Increase) / decrease in liquid investments	(40,585)	15,695
Increase in trade payables	40,736	7,023
Increase in deposit	7	5
(Decrease) in other financial liabilities	(17,314)	(2,268)
(Decrease) in other non financial liabilities	(32)	(206)
(Decrease) in provision	(12)	(3,711)
Increase / (decrease) in borrowings	(77,257)	15,063
Increase / (decrease) in debt securities	24,166	(31,584)
Cash generated from operations	110,944	37,542
Direct taxes paid net (including utilisation of MAT credit)	(15,924)	(18,070)
Net cash generated from Operating activities (A)	95,020	19,472
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, plant and equipment	(6,992)	(2,659)
Purchase of Investments	(58,731)	(30,646)
Sale of Investments	30,240	34,633
Sale of Property, plant and equipment	–	13
Interest received	33	67
Dividend received	194	37
Net cash (used in)/generated from Investing activities (B)	(35,256)	1,445

Consolidated Cash Flow Statement (Contd..)

Particulars	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share capital including Securities premium	4,039	1,826
Payment of Dividend and Dividend Distribution Tax	(15,586)	(15,239)
Increase/ (Decrease) in unpaid dividend	(25)	4
Cash payment of lease liability and interest	(1,475)	–
Foreign Currency Translation Reserve	152	92
Investment by/ (purchase) from Minorities	115	(811)
Net cash (used in)/generated from Financing activities (C)	(12,780)	(14,128)
Net increase/(decrease) in cash and cash equivalents during the period (A+B+C)	46,984	6,789
Cash and cash equivalents as at beginning of the period		
Cash on hand	236	406
Schedule bank - In Current accounts	26,344	29,867
Cheques in hand	–	2
Fixed Deposit with original maturity within 3 months	10,788	305
Cash and cash equivalents as at beginning of the period	37,368	30,580
Cash & Cash equivalents comprise of as at end of the period		
Cash on hand	76	236
Schedule bank - In Current accounts	47,666	26,344
Cheques in hand	–	–
Fixed Deposit with original maturity within 3 months	36,610	10,788
Cash and cash equivalents as at end of the period	84,352	37,368

Notes :

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

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

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

Sudhir N. Pillai
Partner
Membership Number: 105782

Place : Mumbai
Date : 11th May 2020

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

Motilal Oswal
Managing Director and Chief Executive Officer
DIN : 00024503

Shalibhadra Shah
Chief Financial Officer

Place : Mumbai
Date : 11th May 2020

Raamdeo Agarawal
Non-Executive Chairman
DIN : 00024533

Kailash Purohit
Company Secretary

Statement of Changes in Equity

(A) Equity share capital

Particulars	Equity share capital	
	Number of shares	Amount ₹ in Lakhs
As at 1 April 2018	145,083,558	1,451
Stock options exercised under the ESOS	596,800	6
As at 31 March 2019	145,680,358	1,457
Stock options exercised under the ESOS	1,055,432	11
Preferential Issue*	1,330,928	13
As at 31 March 2020	148,066,718	1,481

* Note: Shares were allotted for consideration other than cash.

(B) Other Equity

₹ in Lakhs

Particulars	Reserves and surplus										Items of other comprehensive income		Total other equity	Non-controlling interest	Total
	Statutory reserves	Capital redemption reserve	Securities premium	Employee stock options outstanding reserve	Capital Reserve (on consolidation)	General reserve	Debenture redemption reserve	Foreign currency translation reserve	Impairment reserve	Retained earnings	Equity instruments through other comprehensive income	Remeasurements of defined benefit plans			
Balance as at 01 April 2018	15,894	2,259	48,793	3,317	5,084	4,974	1,558	197	-	186,081	18,618	364	287,139	3,506	290,645
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	29,397	(418)	126	29,105	456	29,561
Dividends including dividend distribution tax	-	-	-	-	-	-	-	-	-	(15,238)	-	-	(15,238)	-	(15,238)
Transfer to capital redemption reserve	-	245	-	-	-	-	-	-	-	(245)	-	-	-	-	-
Transfer to statutory reserves	42	-	-	-	-	-	-	-	-	(42)	-	-	-	-	-
Transfer from statutory reserves	(12,124)	-	-	-	-	12,124	-	-	-	-	-	-	-	-	-
Transfer to Securities premium	-	-	899	(899)	-	-	-	-	-	-	-	-	-	-	-
Transfer to debenture redemption reserve	-	-	-	-	-	(1,794)	1,794	-	-	-	-	-	-	-	-
Addition during the year on account of share issue	-	-	1,820	-	-	-	-	-	-	-	-	-	1,820	-	1,820
Additions during the year	-	-	-	1,897	-	-	-	92	-	-	-	-	1,989	-	1,989
Investment by/ (purchased from) minority	-	-	-	-	-	-	-	-	-	-	-	-	-	(811)	(811)
Transfer to minorities	-	-	-	-	-	-	-	-	-	(928)	-	-	(928)	928	-
Balance as at 31 March 2019	3,812	2,504	51,512	4,315	5,084	15,304	3,352	289	-	199,025	18,200	490	303,887	4,079	307,966

Statement of Changes in Equity (Contd..)

₹ in Lakhs

Particulars	Reserves and surplus										Items of other comprehensive income		Total other equity	Non-controlling interest	Total
	Statutory reserves	Capital redemption reserve	Securities premium	Employee stock options outstanding reserve	Capital Reserve (on consolidation)	General reserve	Debenture redemption reserve	Foreign currency translation reserve	Impairment reserve	Retained earnings	Equity instruments through other comprehensive income	Remeasurements of defined benefit plans			
Balance as at 01 April 2019	3,812	2,504	51,512	4,315	5,084	15,304	3,352	289	-	199,025	18,200	490	303,887	4,079	307,966
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	18,337	(6,115)	132	12,354	628	12,981
Dividends including dividend distribution tax	-	-	-	-	-	-	-	-	-	(15,587)	-	-	(15,587)	-	(15,587)
Transfer to capital redemption reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to statutory reserves	782	-	-	-	-	-	-	-	-	(782)	-	-	-	-	-
Transfer from statutory reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to impairment reserve	-	-	-	-	-	-	-	-	62	(62)	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-	-	-	133	-	-	133	-	133
Transfer to Securities premium	-	-	1,017	(1,017)	-	-	-	-	-	-	-	-	-	-	-
Transfer from debenture redemption reserve	-	-	-	-	-	3,352	(3,352)	-	-	-	-	-	-	-	-
Addition during the year on account of share issue	-	-	3,964	-	-	-	-	-	-	-	-	-	3,964	-	3,964
Additions during the year	-	-	-	1,098	-	-	-	152	-	-	-	-	1,250	-	1,250
Investment by/ (purchased from) minority	-	-	-	-	-	-	-	-	-	-	-	-	-	100	100
Transfer to minorities	-	-	-	-	-	-	-	-	-	1,148	-	-	1,148	(1,148)	-
Balance as at 31 March 2020	4,594	2,504	56,493	4,396	5,084	18,656	0.00	441	62	202,212	12,085	622	307,149	3,659	310,808

The accompanying notes are integral part of these financial statements.

This is the Statement of Changes in Equity referred to in our report of even date.

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

Sudhir N. Pillai
Partner
Membership Number: 105782

Place : Mumbai
Date : 11th May 2020

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

Motilal Oswal
Managing Director and Chief Executive Officer
DIN : 00024503

Shalibhadra Shah
Chief Financial Officer

Place : Mumbai
Date : 11th May 2020

Raamdeo Agarawal
Non-Executive Chairman
DIN : 00024533

Kailash Purohit
Company Secretary

Notes to Consolidated Financial Statement

NOTE 1 : CORPORATE INFORMATION

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

Motilal Oswal Financial Services Limited, its subsidiaries, associate and joint venture entities (collectively, the Group) are engaged in stock broking, asset management and mutual funds, private equity, investment banking, home finance, wealth management services, distribution of financial products, proprietary investments and other activities in financial services.

These consolidated financial statements contain financial information of the Group and were authorized for issue by the Board of Directors on 11 May 2020.

Information on the Group’s structure is provided in note 60.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

2.1. Basis of preparation

(i) Compliance with Ind AS

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

Accounting policies have been applied consistently over all the periods presented in these consolidated financial statements.

(ii) Historical cost convention

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

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

(iii) Preparation of consolidated financial statements

The Holding Company is covered in the definition of Non-Banking Financial Group as defined in Companies (Indian Accounting Standards) (Amendment) Rules, 2016. As per the format prescribed under Division III of Schedule III to the Companies Act, 2013 on 11 October 2018, the Holding Company presents the Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the order of liquidity. A maturity analysis of recovery or settlement of assets and liabilities within 12 months after the reporting date and more than 12 months after the reporting date is presented in note 56.

(iv) Use of estimates and judgements

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

2.2. Principles of consolidation and equity accounting

(i) Subsidiaries

The consolidated financial statements has comprised financial statements of the Company and its subsidiaries, subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group

Notes to Consolidated Financial Statement *(Contd.)*

is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the Holding Company and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions within the Group are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of changes in equity and balance sheet respectively. Statement of Profit and Loss including Other Comprehensive Income (OCI) is attributable to the equity holders of the Holding Company and to the non-controlling interest basis the respective ownership interest and such balance is attributed even if this results in controlling interest is having a deficit balance.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognized at cost.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

(iv) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

2.3. Revenue Recognition

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

Notes to Consolidated Financial Statement *(Contd..)*

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

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

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

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

(i) Brokerage fee income

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

(ii) Interest income

Interest income on a financial asset at amortised cost is recognised on a time proportion basis taking into account the amount outstanding and the effective interest rate ('EIR'). The EIR is the rate that exactly discounts estimated future cash flows of the financial asset through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying amount of the financial instrument. The internal rate of return on financial asset after netting off the fees received and cost incurred approximates the effective interest rate method of return for the financial asset. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for ECLs).

(iii) Portfolio management fee income

Performance obligations are satisfied over a period of time and portfolio management fees are recognized in accordance with the Portfolio Management Agreement entered with respective clients, which is as follows:

- a) Processing fees is recognized on upfront basis in the year of receipt;
- b) Management fees is recognized as a percentage of the unaudited net asset value at the end of each month;
- c) Return based fees is recognized as a percentage of annual profit, in accordance with the terms of the agreement with clients on the completion of the period.

(iv) Mutual fund management fee income

Performance obligations are satisfied over a period of time and mutual fund management fee is recognized on monthly basis in accordance with Investment Management Agreement and SEBI (Mutual Fund) Regulations, 1996, based on daily average assets under management (AUM) of the Schemes of Motilal Oswal Mutual Fund.

(v) Private equity fund management fee income

Performance obligations are satisfied over a period of time and private equity fund management fee is recognized on monthly basis in accordance with Private Placement Memorandum based on capital commitment / capital contribution of the Fund.

(vi) Alternative investment fund management fee income

Performance obligations are satisfied over a period of time and alternate investment management fee is recognized on monthly basis in accordance with Private Placement Memorandum.

(vii) Investment advisory fees

Performance obligations are satisfied over a period of time and investment advisory fee is recognized on monthly basis in accordance with the terms of the contract with the clients.

Notes to Consolidated Financial Statement *(Contd..)*

(viii) Research and advisory fees

Performance obligations are satisfied over a period of time and investment advisory fee is recognized on monthly basis in accordance with the terms of the contract with the clients.

(ix) Dividend income

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

2.4. Distribution cost

Portfolio Management Services

Distribution cost for Portfolio Management Services are charged to Statement of Profit and Loss on accrual basis. Distribution cost paid in advance is amortised over the contractual period. In respect of Portfolio Management Services, the Group has paid/accrued commission to the distributors and has the right of recovery of such commission under pre-defined circumstances (which includes investor exit up-to the "commitment period" as per the respective agreement entered with investor). On this account, an asset (prepaid expenses) is recognised at the time of actual payment or becoming due for payment and charged evenly to the Statement of Profit and Loss over the commitment period of the respective investor.

Alternate Investment Fund Services

Distribution cost for Alternate Investment Fund Management Services are charged to Statement of Profit and Loss on accrual basis. In respect of Alternate Investment Fund Services, the Group has paid/accrued commission to the distributors and has the right of recovery of such commission under pre-defined circumstance. On this account, an asset (prepaid expenses) is recognised at the time of actual payment or becoming due for payment and charged evenly to the Statement of Profit and Loss over the period of the scheme.

Fund related expenses

New fund offer expenses

Expenses relating to initial issue of Mutual Fund Schemes of the Fund are charged to the Statement of Profit and Loss in the year in which such expenses are incurred which is in compliance with SEBI (Mutual Funds) Regulations, 1996-

Recurring fund expenses

Expenses incurred (inclusive of advertisement / brokerage expenses) on behalf of schemes of Motilal Oswal Mutual Fund till 22nd October 2019 are recognised in the Statement of Profit and Loss unless considered recoverable from the schemes of the Fund in accordance with the provisions of SEBI (Mutual Fund) Regulations, 1996.

2.5. Income Tax

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

Current Tax:

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

Deferred Tax:

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for, if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Notes to Consolidated Financial Statement *(Contd..)*

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

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

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

2.6. Investment Property

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

2.7. Leases

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

The Company has adopted Ind AS 116 "Leases" using the cumulative catch-up approach. Company has recognised Right of Use assets as at 1 April 2019 for leases previously classified as operating leases and measured at an amount equal to lease liability (adjusted for related prepayments/ accruals). The Company has discounted lease payments using the incremental borrowing rate for measuring the lease liability.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term. If the carrying amount of the right-of-use asset is adjusted to zero, any further reduction is recognised in statement of profit and loss.

For contracts that both convey a right to the Company to use an identified asset and require services to be provided to the Company by the lessor, the Company has elected to account for the entire contract as a lease, i.e. it does not allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract

Notes to Consolidated Financial Statement (Contd.)

2.8. Cash and cash equivalents

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

2.9. Financial instruments

Initial recognition and measurement

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

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

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

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

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

Fair value of financial instruments

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

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 56.

Financial assets

- (i) Classification and subsequent measurement

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

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

1. Financial assets carried at amortised cost a financial asset is measured at the amortised cost if both the following conditions are met:

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

Notes to Consolidated Financial Statement *(Contd..)*

2. Equity instruments

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

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

3. Investments in mutual funds

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

(ii) Impairment

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

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

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

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

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

(iii) Derecognition

A financial asset is derecognised only when :

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

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

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

Financial liabilities

(i) Initial recognition and measurement

All financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs.

(ii) Subsequent measurement

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

Notes to Consolidated Financial Statement (Contd..)

(iii) Derecognition

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

2.10. Offsetting financial instruments

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

2.11. Financial guarantee contracts and loan commitments

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

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

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

2.12. Property, plant and equipment

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

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

Depreciation methods, estimated useful lives and residual value

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

Assets	Useful life
Building	60 years
Furniture and Fixtures	10 years
Office Equipments	5 years
Computers and Network Equipments	3 to 6 years
Plant and Machinery	15 years
Electrical Equipments	10 years
Vehicles	8 to 10 years
Leasehold Improvements	Over the primary lease period or useful life. Whichever is less.

Derecognition:

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

2.13. Intangible assets

Measurement at recognition:

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

Expenditure incurred on acquisition/development of intangible assets which are not put/ready to use at the reporting date is disclosed under intangible assets under development. The Group amortizes intangible assets on a straight-line basis over

Notes to Consolidated Financial Statement *(Contd..)*

the five years commencing from the month in which the asset is first put to use. The Group provides pro-rata amortization from the day the asset is put to use.

Asset	Useful life
Computer Software	5 years
Licences	Over the license period

Derecognition:

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

2.14. Impairment of non-financial assets

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

2.15. Provisions and contingencies:

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

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

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

2.16. Employee benefits

(i) Short-term obligations

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

(ii) Post-employment obligations

Defined contribution plan:

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

Defined benefits plan:

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognised actuarial gain or losses and the past service costs. The defined benefit obligation is

Notes to Consolidated Financial Statement *(Contd.)*

calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

(iii) Other long-term employee benefit obligations

Heritage club benefit

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

Compensated absences

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

2.17. Share-based payments

Employee Stock Option Scheme (ESOS)

The Employees Stock Options Scheme ("the Scheme") has been established by the Group. The Scheme provides that employees are granted an option to subscribe to equity share of the Group that vest on the satisfaction of vesting conditions. The fair value of options granted under ESOS is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined reference to the fair value of the options granted excluding the impact of any service conditions. Information about the valuation techniques and inputs used in determining the fair value of options disclosed in note 53.

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

2.18. Foreign currency translation

(i) Functional and presentation currency

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

(ii) Translation and balances

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

2.19. Dividends

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

2.20. Earnings per share

a) Basic earnings per share

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

b) Diluted earnings per share

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

Notes to Consolidated Financial Statement *(Contd..)*

2.21. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker of the Group.

The power to assess the financial performance and position of the Group and make strategic decisions is vested in the managing director who has been identified as the Chief Operating Decision Maker.

The primary business of the Group comprises of "Broking and other related activities", "Fund based activities", "Asset Management and Advisory", "Investment Banking services" and "Home Finance". The business segments have been identified considering the nature of services, the differing risks and returns, the organization structure and the internal financial reporting system. Broking and other related activities includes Broking services to clients, research and advisory services, financial product distribution, depository services. Fund based activities include investment activities (Investment in securities and property) and financing activity. Asset management and advisory includes fee based services for management of assets. Investment Banking represents results of raising financial capital by underwriting or acting as the client's agent in the issuance of securities. Home Finance represents interest and other related income from affordable housing finance business.

2.22. Rounding of amounts

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

2.23. Events after reporting date

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

2.24. Business Combination under Common Control

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

3. KEY ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (a) Provision and contingent liability: On an ongoing basis, Group reviews pending cases, claims by third parties and other contingencies. Contingent losses that are considered probable, an estimated loss is recorded as an accrual in consolidated financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the consolidated financial statements. Contingencies the likelihood of which is remote are not disclosed in the consolidated financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.
- (b) Allowance for impairment of financial asset: Judgements are required in assessing the recoverability of overdue loans and determining whether a provision against those loans is required. Factors considered include the aging of past dues, value of collateral and any possible actions that can be taken to mitigate the risk of non-payment.
- (c) Recognition of deferred tax assets - Deferred tax assets are recognised for unused tax-loss carryforwards and unused tax credits to the extent that realisation of the related tax benefit is probable. The assessment of the probability with regard to the realisation of the tax benefit involves assumptions based on the history of the entity and budgeted data for the future.

Notes to Consolidated Financial Statement (Contd.)

- (d) Defined benefit plans - The cost of defined benefit plans and the present value of the defined benefit obligations are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long - term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
- (e) Stock based compensation – The Group account for stock-based compensation by measuring and recognizing as compensation expense the fair value of all share-based payment awards made to employees based on estimated grant date fair values. The determination of fair value involves a number of significant estimates. The Group uses the Black Scholes option pricing model to estimate the value of employee stock options which requires a number of assumptions to determine the model inputs. These include the expected volatility of Group’s stock and employee exercise behavior which are based on historical data as well as expectations of future developments over the term of the option. As stock-based compensation expense is based on awards ultimately expected to vest. Management’s estimate of exercise is based on historical experience but actual exercise could differ materially as a result of voluntary employee actions and involuntary actions which would result in significant change in our stock-based compensation expense amounts in the future.
- (f) Property, plant and equipment and Intangible Assets - Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Group’s historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.
- (g) Leases – The Group evaluates if an arrangement qualifies to be a lease as per IND AS 116.
- The Group determines lease term as a non-cancellable period of a lease, together with both the period covered by an option to extend the lease if the Company is reasonably certain to exercise lessee options.
 - The determination of the incremental borrowing rate used to measure lease liabilities.

NOTE 4 : CASH AND CASH EQUIVALENTS

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Cash on hand	76	236
Balances with banks		
In current accounts	47,666	26,344
Fixed deposit with bank (maturity within 3 months)	36,610	10,788
	84,352	37,368

NOTE 5 : BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Fixed Deposit with original maturity more than 3 months but less than 12 months*	45,693	25,561
Fixed Deposit with original maturity more than 12 months*	7,694	4,407
Accrued interest on fixed deposits	12	1,552
Unpaid dividend account	44	19
	53,443	31,539

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

Notes to Consolidated Financial Statement (Contd.)

NOTE 6 : RECEIVABLES

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
(i) Trade receivables		
a) Secured, considered good *	33,671	83,523
b) Unsecured, considered good	42,040	69,328
Less : Allowances for impairment losses	(1,158)	(1,118)
	74,553	151,733
(ii) Other receivables		
a) Rent receivable	–	52
b) Other	145	24
	145	76
	74,698	151,809

* Secured against securities given as collateral by the customer

- Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less loss allowances. The Group applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired trade receivables. The Group considers a trade receivable to be credit impaired when one or more detrimental events have occurred, such as significant financial difficulty of the client or it becoming probable that the client will enter bankruptcy or other financial reorganization. When a trade receivable is credit impaired, it is written off against trade receivables and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement. In line with the Group's historical experience, and after consideration of current credit exposures, the Group does not expect to incur any credit losses and has not recognised any ECLs in the current year.
- No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- Trade receivables in case of the Group includes ₹ 24,994 Lakhs (Previous year ₹ 24,994 Lakhs) receivable from National Spot Exchange Limited on behalf of customers and the same is also shown as Other Trade payable to customers at ₹ 24,576 Lakhs (Previous year ₹ 24,576 Lakhs) which will become due only on receipt from National Spot Exchange Limited.

NOTE 7 : LOANS

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
(A) Loans- At amortised cost		
Home loans	364,312	435,747
Term loan	3,466	–
Loans repayable on demand	21,599	18,579
Loans to employees	378	409
Margin trading facility	19,849	47,561
Interest accrued	2,785	3,118
Total (A) Gross	412,389	505,414
Less : Impairment loss allowance	(4,442)	(17,570)
Total (A) Net	407,947	487,844

Notes to Consolidated Financial Statement *(Contd..)*

(B) Secured by tangible assets	396,302	500,909
Unsecured	16,087	4,505
Total (B) Gross	412,389	505,414
Less : Impairment loss allowance	(4,442)	(17,570)
Total (B) Net	407,947	487,844
(C) Loans in India		
Public sector	–	–
Others	412,389	505,414
Total (C) Gross	412,389	505,414
Less : Impairment loss allowance	(4,442)	(17,570)
Total (C) Net	407,947	487,844

Loan book & ECL Movement Notes :

1(a) Loan book movement

Particulars	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Opening	487,844	554,107
Origination of new loan	13,027	372
Write-offs/sold during the year	(42,116)	(29,556)
Repayments received during the year	(50,809)	(37,079)
Closing	407,947	487,844

1(b) Break - up of loans under

Particulars	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Low credit risk (Stage 1)	386,769	419,380
Significant increase in credit risk (Stage 2)	14,567	28,861
Credit impaired (Stage 3)	6,611	39,603
Closing	407,947	487,844

1(c) ECL movement

Particulars	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Opening	17,570	11,472
ECL impact due to Write-offs	(9,532)	(1,928)
Addition during the year	(3,596)	8,026
Closing	4,442	17,570

Notes to Consolidated Financial Statement (Contd..)

1(d) Break - up of ECL under

Particulars	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Low credit risk (Stage 1)	1,269	3,384
Significant increase in credit risk (Stage 2)	1,518	4,289
Credit impaired (Stage 3)	1,655	9,897
Closing	4,442	17,570

NOTE 8 : INVESTMENT

Sr. No.	Particulars	As at 31-Mar-20		As at 31-Mar-19	
		(Units)	(Amount ₹ in Lakhs)	(Units)	(Amount ₹ in Lakhs)
I.	Investments at amortised cost				
	Equity Instruments - Unquoted - Fully paid-up				
	MF utilities India Private Limited	500,000	5	500,000	5
	Total (I)		5		5
II.	Investments at fair value through profit and loss account (FVTPL)				
(a)	Equity Instruments - Unquoted - Fully paid-up				
	Shriram New Horizons Limited	750,000	1,013	750,000	1,013
	Less : Impairment allowance on investment		(1,013)		(1,013)
	Shubham Housing Development Finance Co. Private Limited	21,392	462	241,652	3,000
	Total (a)		462		3,000
(b)	Preference Shares - Unquoted - Fully paid-up				
	Compulsory Convertible shares of Shubham Housing Development Finance Co. Private Limited	220,260	2,735	-	-
	Total (b)		2,735		-
(c)	Mutual Funds (Equity) - Quoted - Fully paid-up				
	Motilal Oswal Mutual Fund - Motilal Oswal MOST Shares M100 ETF GO	735,570	92	735,570	138
	Motilal Oswal Mutual Fund-Motilal Oswal MOST Shares NASDAQ 100 ETF -GO	396,531	156	396,531	132
	Most Shares M50 ETF	59,499	50	59,499	67
	Kotak Mahindra MF - Kotak Banking ETF - Dividend Payout Option	17,889	35	17,889	56
	Reliance Etf Gold Bees	675	26	675	19
	SBI-ETF Nifty Next 50	44,978	40	44,978	53
	Motilal Oswal NASDAQ 100 FOF	200,000	26	200,000	21
	Mutual Funds (Equity) -Unquoted - Fully paid-up				
	Motilal Oswal Most Focused Multicap 35 Fund (Direct Plan - Growth, Dividend Reinvestment and Direct Plan Dividend Payout)	201,830,746	41,526	230,032,257	62,632
	Most focused midcap 30 fund (Direct Plan - Growth, Dividend Reinvestment and Direct Plan Dividend Payout)	109,157,082	22,648	109,130,459	29,569
	Motilal Oswal Most Focused Multicap 25 Fund (Direct Plan - Growth, Dividend Reinvestment)	64,280,248	13,068	64,280,248	14,942
	Most Focused Long term Fund	190,816	28	190,816	35
	Motilal Oswal Most Focused Dynamic Equity Fund	500,000	59	500,000	63
	Motilal Oswal Equity Hybrid Fund - Direct (G)	500,000	49	500,000	52

Notes to Consolidated Financial Statement *(Contd..)*

Sr. No.	Particulars	As at 31-Mar-20		As at 31-Mar-19	
		(Units)	(Amount ₹ in Lakhs)	(Units)	(Amount ₹ in Lakhs)
	Motilal Oswal Nifty Midcap 150 Index Fund - Direct Growth Option	553,715	44	–	–
	Motilal Oswal Nifty 500 Fund - Direct Growth Option	567,804	45	–	–
	Motilal Oswal Nifty Bank Index Fund - Direct Growth Option	272,044	19	–	–
	Motilal Oswal Nifty Smallcap 250 Index Fund - Direct Growth Option	219,498	16	–	–
	Motilal Oswal Nifty 50 Index Fund - Direct Growth Option	12,962,633	934	–	–
	Motilal Oswal Nifty Next 50 Index Fund - Direct Growth Option	4,330,591	325	–	–
	Motilal Oswal Large And Midcap Fund	50,500,000	4,005	–	–
	Mutual Funds (Debt) - Unquoted - Fully paid-up				
	Investment in Short Term Ultra Bond	876,376	118	876,376	111
	Reliance Liquid Fund-Treasury Plan -Growth Plan Growth Option	–	–	319,337	12,598
	Reliance Liquidity Fund-Growth Plan-Growth Option	–	–	224,102	1,897
	Birla Sunlife Cash Plus	2,814,162	8,993	2,814,162	8,455
	Motilal Oswal Liquid Fund - Direct (G)	500,000	53	500,000	51
	Reliance Banking and PSU Debt FD-Dir Pl-Growth	–	–	132,906,806	18,067
	Reliance Medium Term Fund - Direct Gr Pl-Gr Option	–	–	15,118,164	6,062
	ICICI Pru money market - Direct plan	4,478,928	13,158	1,871,220	5,172
	Kotak floater short term - Direct plan Growth	263,772	10,590	136,066	5,149
	UTI money market fund - Direct Growth	–	–	171,136	5,238
	HDFC Cash Management Liquid Units	468,037	18,284	76,861	2,827
	Kotak Saving Fund Direct Plan- Growth	–	–	8,291,241	2,533
	Kotak Saving Fund Direct Plan- Growth 2	–	–	8,282,836	2,531
	HDFC Overnight Fund - Direct Plan - Growth	336,837	10,001	–	–
	SBI Savings Fund Direct Plan Growth	15,453,896	5,002	–	–
	SBI Liquid Fund Direct Plan Growth	321,835	10,006	–	–
	Nippon India Liquid Fund Direct Plan Growth Plan	206,307	10,007	–	–
	Nippon India Overnight Fund Direct Growth Plan	9,330,743	10,002	–	–
	Mirae Asset Cash Management Fund - Direct Plan - Growth	119,427	2,502	–	–
	Axis Liquid Direct Fund - Growth	456,713	10,067	–	–
	L&T Liquid Fund Direct Plan Growth Option	91,928	2,501	–	–
	Total (c)		194,475		178,470
(d)	Investment in Alternative Investment funds (Equity) - Unquoted - Fully paid-up				
	Motilal Oswal Focused Growth Opportunities Fund	7,280,244	785	7,280,244	1,100
	Motilal Oswal Focused Growth Opportunities Fund (Carry Units)	30,000	5	25,287	7
	Motilal Oswal Focused Multicap Opportunities Fund	11,169,545	816	11,087,045	1,202
	Motilal Oswal Focused Multicap Opportunities Fund (Carry units)	100,000	7	100,000	11
	Motilal Oswal Select Opportunities fund	6,687,757	930	9,985,273	1,086
	Motilal Oswal Select Opportunities fund (Carry units)	100,000	10	100,000	11
	Motilal Oswal Focused Business Advantage Fund	10,000,000	991	10,000,000	1,178
	Motilal Oswal Focused Business Advantage Fund (Carry units)	100,000	12	100,000	12
	Motilal Oswal Focused Emergence Fund	12,802,656	654	12,802,656	1,050
	Motilal Oswal Rising India Fund	9,749,870	909	9,749,870	1,033
	Motilal Oswal Select Opportunities Fund Series II	3,000,000	218	–	–
	Motilal Oswal Equity Opportunities Fund	8,118,297	649	–	–
	Total (d)		5,987		6,690

Notes to Consolidated Financial Statement *(Contd..)*

Sr. No.	Particulars	As at 31-Mar-20		As at 31-Mar-19	
		(Units)	(Amount ₹ in Lakhs)	(Units)	(Amount ₹ in Lakhs)
(e)	Partnership Firm / LLP - Real estate funds - Unquoted				
	Contrarian Vriddhi Fund I LLP	1,000	180	100,000,000	138
	Total (e)		180		138
(f)	Associates and Joint Ventures				
	Associates - Real estate funds- Unquoted				
	India Realty Excellance Fund II LLP	10,000	4,407	10,000	5,647
	Joint venture - Private equity funds- Unquoted				
	India Business Excellence Fund III	2,976,095	15,461	2,976,095	12,717
	Total (f)		19,868		18,364
(g)	Private Equity Funds - Unquoted				
	Reliance Alternative Investment Fund - Private Equity Scheme I	509,114	51	583,470	62
	Aditya Birla Private Equity - Fund I	150	66	150	66
	India Business Excellence Fund	475	4,601	475	6,058
	India Business Excellence Fund - C Class	0	0	0	0
	India Business Excellence Fund-I	200	1	200	1
	India Business Excellence Fund II	818,000	9,361	818,000	12,304
	India Business Excellence Fund II - C Class	1,022	10	997	10
	Real Estate Funds - Unquoted				
	Investment in India Realty Excellence Fund III	9,991,452	11,824	9,792,497	10,208
	India Realty Excellence Fund IV	6,500,000	6,932	3,500,000	3,500
	Total (g)		32,846		32,209
(h)	Investment in Security receipt- Unquoted				
	Phoenix trust FY20-9	2,210,000	19,647	-	-
	Phoenix trust FY20-21	284,750	2,848	-	-
	Total (h)		22,494		-
	Total (II) (a+b+c+d+e+f+g+h)		279,047		238,872
III.	Investment at fair value through other comprehensive income FVOCI				
	AU Finance India Limited	3,281,796	16,584	3,281,796	19,546
	Investment through Portfolio Management Services (PMS)				
	3M India Ltd	10	2	-	-
	Aegis Logistics Ltd	178,350	249	102,183	208
	Ajanta Pharma Ltd	137	2	216	2
	Alkem Laboratories Ltd	19,477	453	11,026	193
	Asian Paints Ltd	345	6	345	5
	Astral Poly Technik Ltd	-	-	88	1
	Au Small Finance Bank Ltd	1,107	6	1,646	10
	Axis Bank Ltd	2,731	10	2,088	16
	Bajaj Finance Ltd	12,587	279	17,397	526
	Bajaj Finserv Ltd	83	4	168	12
	Balkrishna Industries Ltd	525	4	425	4
	Bata India Ltd	523	6	-	-
	Bayer Cropscience Ltd	7,115	246	1,971	87
	Bhansali Engineering Polymers Ltd	-	-	1,417	1

Notes to Consolidated Financial Statement *(Contd..)*

Sr. No.	Particulars	As at 31-Mar-20		As at 31-Mar-19	
		(Units)	(Amount ₹ in Lakhs)	(Units)	(Amount ₹ in Lakhs)
	Bharat Forge Ltd	104,294	245	60,282	309
	Bharat Petroleum Corporation Ltd	–	–	880	3
	Blue Star Ltd	–	–	167	1
	Bosch Ltd	3,693	347	2,111	384
	Britania Ind. Ltd - Debentures	78	0	–	–
	Britannia Industries Ltd	98	3	224	7
	Canfin Homes Ltd	–	–	4,067	14
	Cholamandalam Investment And Finance Company Ltd	775	1	742	11
	City Union Bank Ltd	405,331	523	270,902	555
	Colgate Palmolive (India) Ltd	33,242	416	19,039	240
	Container Corporation Of India Ltd	90,138	299	51,578	271
	Crompton Greaves Consumer Electrcials Ltd	–	–	786	2
	Cummins India Ltd	51,911	169	29,413	219
	DCB Bank Ltd	5,933	6	2,852	6
	Divis Laboratories Ltd	225	4	–	–
	Dr Reddy's Laboratories Ltd	76	2	–	–
	Eicher Motors Ltd	3,774	494	2,178	448
	Emami Ltd	97,273	165	55,097	220
	Endurance Technologies Ltd	–	–	168	2
	Engineers India Ltd	106,833	64	60,206	71
	Eris Lifesciences Ltd	271	1	271	2
	Federal Bank Limited	431,327	177	–	–
	Glaxosmithkline Consumer Healthcare Ltd (Formerly Smithkline Beecham Consumer)	6,156	614	3,519	255
	GlaxoSmithkline Pharmaceuticals Ltd	156	2	–	–
	Godrej Industries Ltd	116,160	329	66,449	356
	Havells India Ltd	–	–	551	4
	HDFC Asset Management Company Ltd	–	–	125	2
	HDFC Bank Ltd	2,534	22	1,391	32
	HDFC standard Life Insurance Company Ltd	5,695	25	5,023	19
	Hindustan Petroleum Corporation Ltd	171,985	327	99,326	282
	Hindustan Unilever Ltd	280	6	288	5
	Honeywell Automation India Ltd	8	2	–	–
	Housing Development Finance Corporation Ltd	242	4	242	5
	Icici Bank Ltd	230,448	746	55,334	222
	ICICI Lombard General Insurance Company Ltd	691	7	877	9
	IndusInd Bank Ltd	380	1	–	–
	Infosys Ltd	881	6	881	7
	Interglobe Aviation Ltd	–	–	428	6
	Ipca Laboratories Ltd	55,665	775	32,001	314
	ITC Ltd	3,788	7	1,800	5
	J&k Bank	142,437	18	–	–
	Jubilant Foodworks Ltd	650	10	118	2
	Jubilant Life Sciences Ltd	–	–	294	2
	Kajaria Ceramics Ltd	975	4	975	6

Notes to Consolidated Financial Statement *(Contd..)*

Sr. No.	Particulars	As at 31-Mar-20		As at 31-Mar-19	
		(Units)	(Amount ₹ in Lakhs)	(Units)	(Amount ₹ in Lakhs)
	Kansai Nerolac Paints Ltd	–	–	782	4
	Kotak Mahindra Bank Ltd	148,899	1,930	86,015	1,148
	L&T Technology Services Ltd	47,365	550	27,671	435
	Larsen & Toubro Infotech Ltd	568	8	811	14
	Larsen & Toubro Ltd	889	7	899	12
	LIC Housing Finance Ltd	4,140	10	–	–
	Liquid funds and cash and cash equivalents held through PMS	–	58	11,144	78
	Mahindra Logistics Ltd	–	–	2,062	11
	Maruti Suzuki India Ltd	222	10	212	14
	Max Financial Services Ltd	154,966	596	83,019	361
	Minda Industries Ltd	1,836	4	685	2
	Monsanto India Ltd (Formerly Monsanto Chemicals Of India)	–	–	3,030	79
	Motherson Sumi Systems Limited	2,988	2	–	–
	Multi Commodity Exchange of India Ltd	298	3	–	–
	Muthoot Finance Ltd	1,552	10	–	–
	Page Industries Ltd	6,346	1,077	3,597	898
	Persistent Systems Ltd	455	3	455	3
	Petronet Lng Ltd	1,246	2	3,677	9
	PI Industries Ltd	300	4	172	2
	Polycab India Ltd	833	6	–	–
	Qess Corp Ltd	1,547	3	1,980	15
	RBL Bank Ltd	–	–	1,409	10
	SBI Life Insurance Company Ltd	878	6	878	5
	SRF Ltd	153	4	128	3
	State Bank Of India	3,871	8	–	–
	Sundram Fasteners Ltd	–	–	748	4
	Tata Consultancy Services Ltd	214	4	214	4
	Teamlease Services Ltd	199	3	–	–
	Tech Mahindra Ltd	87,524	467	50,146	389
	The Federal Bank Ltd	–	–	244,492	236
	The Jammu & Kashmir Bank Ltd	–	–	142,437	76
	The Ramco Cements Ltd	–	–	422	3
	The Supreme Industries Ltd	–	–	100	1
	Titan Company Ltd	1,760	16	990	11
	Tube Investments of India Ltd	831	2	–	–
	United Spirits Ltd	825	4	674	4
	Varroc Engineering	–	–	362	2
	VIP Industries Ltd	1,207	3	1,207	6
	Voltas Ltd	271,467	1,295	151,902	956
	Wabco India Ltd	–	–	47	3
	Whirlpool of India Ltd Equity Shares	–	–	377	6
	J&k Bank	109,353	14		
	Cash & Cash Equivalent		19		
	Total (III)		29,799		29,714
	Total (I+II+III)		308,850		268,591

Notes to Consolidated Financial Statement *(Contd..)*

Sr. No.	Particulars	As at 31-Mar-20		As at 31-Mar-19	
		(Units)	(Amount ₹ in Lakhs)	(Units)	(Amount ₹ in Lakhs)
	(i) Investment outside India		–		–
	(ii) Investment in India		308,850		268,591
	Total		308,850		268,591

NOTE 9 : OTHER FINANCIAL ASSETS

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Rent, electricity, and other deposits	1,522	1,237
Deposits with exchange and other receivables	11,658	2,491
Securities in trade*	0	0
EMI /Pre EMI receivables on home loans	1,079	5,474
Receivable from exchanges	666	–
	14,925	9,202

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

NOTE 10 : CURRENT TAX ASSETS (NET)

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Advance tax and tax deducted at source (net of provisions)	4,043	1,823
	4,043	1,823

NOTE 11 : DEFERRED TAX ASSETS (NET)

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Deferred tax assets (net) (also refer note 39)	12,428	14,290
	12,428	14,290

NOTE 12 : INVESTMENT PROPERTY

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Opening balance	3,518	3,573
Less: Depreciation on investment property	(53)	(55)
	3,465	3,518

Notes to Consolidated Financial Statement (Contd..)

Fair value of Investment property

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Building	10,582	6,719

Estimation of fair value

The fair value of investment property have been determined by an independent valuer, who has professional experience as well as adequate expertise in the location and category of the investment property. The value is determined based on the rate prescribed by government authorities for commercial property. The resultant fair value estimates for investment property is included in level 2.

NOTE 13 - PROPERTY, PLANT AND EQUIPMENT

Particulars	Gross Block			Depreciation / amortization				Net Block		
	Balance as at 1 April 2019	Additions	Disposal	Balance as at 31 March 2020	Balance as at 1 April 2019	During the year	Disposal	Balance as at 31 March 2020	Balance as at 31 March 2020	Balance as at 31 March 2019
(a) Property, plant and equipment										
Computer	1,245	91	8	1,328	881	175	1	1,055	273	364
Furniture & Fittings	2,899	160	–	3,059	1,953	117	–	2,070	989	946
Office Equipments	4,093	329	–	4,422	3,435	235	–	3,670	752	658
Mobile Phone	1	–	–	1	1	–	–	1	–	–
Building	24,498	443	522	24,419	6,700	529	13	7,216	17,203	17,798
Plant And Machinery	7,261	692	–	7,953	5,694	505	–	6,199	1,754	1,567
Electrical Equipment	211	1	–	212	132	35	–	167	45	79
Lease Hold Improvement	1,305	40	–	1,345	873	150	–	1,023	322	432
Land	2,667	–	–	2,667	–	–	–	–	2,667	2,667
Vehicles	1,005	182	–	1,187	627	121	–	747	439	379
Right To Use	–	4,319	76	4,243	–	1,367	–	1,367	2,876	–
Total (a)	45,185	6,257	606	50,836	20,295	3,234	14	23,515	27,321	24,890
(b) Intangible assets under development	11	–	11	–	–	–	–	–	–	11
(c) Other Intangible assets										
Bse/Mcx Cards	648	–	–	648	648	–	–	648	–	–
Pms Licence	1	–	–	1	1	–	–	1	–	–
Customer Rights	727	425	–	1,152	727	7	–	734	418	–
Licences	19	–	–	19	19	–	–	19	–	–
Software	5,305	1,006	–	6,311	3,503	677	(1)	4,181	2,130	1,802
Goodwill	90	–	–	90	90	–	–	90	(0)	(0)
Total (c)	6,790	1,431	–	8,221	4,988	684	(1)	5,673	2,548	1,802
Total (a+b+c)	51,986	7,688	617	59,057	25,283	3,918	13	29,188	29,869	26,703

Notes to Consolidated Financial Statement (Contd.)

Particulars	Gross Block				Depreciation / amortization				Net Block	
	Balance as at 01 April 2018	Additions	Disposal	Balance as at 31 March 2019	Balance as at 01 April 2018	During the year	Disposal	Balance as at 31 March 2019	Balance as at 31 March 2019	Balance as at 01 April 2018
(a) Property, plant and equipment										
Computer	1,100	150	5	1,245	731	150	–	881	364	369
Furniture & Fittings	2,841	68	10	2,899	1,813	140	–	1,953	946	1,028
Office Equipments	3,622	441	–	4,063	2,945	484	–	3,429	634	677
Mobile Phone	31	–	–	31	6	–	–	6	25	25
Building	24,984	296	768	24,512	6,859	565	710	6,714	17,798	18,125
Plant And Machinery	6,912	349	–	7,261	5,552	142	–	5,694	1,567	1,360
Electrical Equipment	205	6	–	211	82	50	–	132	79	123
Lease Hold Improvement	1,129	176	–	1,305	709	164	–	873	432	420
Land	2,667	–	–	2,667	–	–	–	–	2,667	2,667
Vehicles	767	270	32	1,005	554	94	21	627	378	213
Right To Use	–	–	–	–	–	–	–	–	–	–
Total (a)	44,258	1,756	815	45,199	19,251	1,789	731	20,309	24,890	25,007
(b) Intangible assets under development	11	–	–	11	–	–	–	–	11	11
(c) Other Intangible assets										
Bse/MCX Cards	648	–	–	648	648	–	–	648	–	–
Pms Licence	1	–	–	1	1	–	–	1	–	–
Customer Rights	727	–	–	727	727	–	–	727	–	–
Licences	19	–	–	19	19	–	–	19	–	–
Software	4,317	988	–	5,305	2,940	551	(12)	3,503	1,802	1,377
Goodwill	90	–	–	90	90	–	–	90	(0)	(0)
Total (C)	5,802	988	–	6,790	4,425	551	(12)	4,988	1,802	1,377
Total (a+b+c)	50,071	2,744	815	52,000	23,676	2,340	719	25,297	26,703	26,395

NOTE 14 : OTHER NON-FINANCIAL ASSETS

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Prepaid expenses	10,377	9,355
Advances and other non-financial assets	1,579	1,093
Indirect tax credit receivable	3,336	2,313
Asset held for sale or disposal	–	2,285
Others	1,160	42
Stock of stamps	6	1
Sign on bonus pending amortisation	1,154	41
Capital advance	588	400
	17,040	15,488

Notes to Consolidated Financial Statement (Contd.)

NOTE 15 : PAYABLES

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
(i) Trade payables		
Total outstanding dues of Micro and small enterprises	—	—
Total outstanding dues of creditors other than Micro and small enterprises	179,798	139,062
	<u>179,798</u>	<u>139,062</u>

*Due to Micro and Small Enterprises

The Micro and Small Enterprises have been identified on the basis of the information provided by the vendors to the Company.

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
The principal amount remaining unpaid at the end of the year	—	—
The Interest amount remaining unpaid at the year end	—	—
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	—	—
The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	—	—
The amount of interest accrued and remaining unpaid at the year end	—	—
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	—	—
The balance of MSMED parties as at the year end	—	—
	<u>—</u>	<u>—</u>

NOTE 16 : DEBT SECURITIES

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
At Amortised cost		
Secured		
Secured redeemable non-convertible debentures	139,436	149,110
Secured Zero coupon debentures	—	—
Unsecured		
Unsecured redeemable non-convertible debentures	26,410	74,501
Unsecured Zero coupon debentures	—	—
Commercial paper	116,480	34,549
	<u>282,326</u>	<u>258,160</u>
Debt Securities in India	282,326	258,160
Debt Securities Outside India	—	—
	<u>282,326</u>	<u>258,160</u>

Notes to Consolidated Financial Statement *(Contd..)*

Security and other terms of Debt securities

1. Terms of repayment as below (Repayment schedule mentioned below excludes Unamortised borrowing cost):

As at 31 March 2020

NCD Series	Units	Amount ₹ in Lakhs	Security provided	Charge %	Rate of Interest	Maturity date
SERIES A (2015-16)/3	450	4,500	Exclusive charge over specific receivables	1.11 Time of amount Outstanding and Interest amount outstanding at any point of time	10.75%	08 June 2020
Series C	1500	15,000	First pari-passu charge on all present and future trade receivables	1.25 Time of amount Outstanding and Interest amount outstanding at any point of time	8.53%	03 July 2020
SERIES M-4/ FY20 /FY21	808	8,100	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	9.50%	16 October 2020
SERIES M-5/ FY20 /FY21	313	3,140	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	9.35%	26 November 2020
SERIES M-1/ FY19/FY22	1,000	10,194	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.25%	30 April 2021
SERIES M-2/ FY20/FY22	143	1,432	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	9.95%	16 November 2021
SERIES M-3/ FY20/FY22	280	2,827	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	9.75%	28 December 2021
SERIES M-6/ FY20/FY23	334	3,354	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	9.25%	18 May 2022
SERIES M-7/ FY20/FY23	383	3,845	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	9.30%	29 December 2022
SERIES A-5/ FY20/FY23	2,000	20,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	24 March 2023
SERIES A (2016-17)/07	997	9,970	Exclusive charge over specific receivables	1.11 Time of amount Outstanding and Interest amount outstanding at any point of time	9.85%	15 May 2023

Notes to Consolidated Financial Statement (Contd..)

NCD Series	Units	Amount ₹ in Lakhs	Security provided	Charge %	Rate of Interest	Maturity date
SERIES A-1/ FY19/FY24	2,500	25,000	Exclusive charge over specific receivables	1.05 Time of amount Outstanding and Interest amount outstanding at any point of time	9.85%	24 August 2023
SERIES A-4/ FY19/FY25	3,000	30,000	Exclusive charge over specific receivables	1.05 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	27 January 2024
SERIES A-3/ FY19/FY25	250	2,500	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	19 October 2024
Grand Total	13,958	139,862				

As at 31 March 2019

NCD Series	Units	Amount ₹ in Lakhs	Security provided	Charge %	Rate of Interest	Maturity date
SERIES A (2015-16)/13	700	7,000	Exclusive charge over specific receivables	1.05 Time of amount Outstanding and Interest amount outstanding at any point of time	10.70%	08 April 2019
Series A	250	2,500	Mortgage of the issuer's identified immovable property and first pari- passu charge on all present and future trade receivables and / or Investments (excluding investment in Subsidiaries)	1.25 Time of amount Outstanding and Interest amount outstanding at any point of time	8.50%	30 April 2019
SERIES A (2016-17)/04	1250	12,500	Exclusive charge over specific receivables	1.05 Time of amount Outstanding and Interest amount outstanding at any point of time	10.70%	05 June 2019
Series B	250	2,500	Mortgage of the issuer's identified immovable property and first pari- passu charge on all present and future trade receivables and / or Investments (excluding investment in Subsidiaries)	1.25 Time of amount Outstanding and Interest amount outstanding at any point of time	8.50%	05 June 2019
SERIES C (2016-17)/1	800	8,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	09 December 2019
SERIES C (2016-17)/2	200	2,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	23 December 2019
SERIES C (2016-17)/4	80	800	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.25%	01 January 2020

Notes to Consolidated Financial Statement (Contd.)

NCD Series	Units	Amount ₹ in Lakhs	Security provided	Charge %	Rate of Interest	Maturity date
SERIES C (2016-17)/3	746	7,460	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	01 January 2020
SERIES C (2016-17)/5 & 6	174	1,740	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.01%	02 January 2020
SERIES C (2016-17)/7	691	6,910	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	06 February 2020
SERIES C (2016-17)/8	60	600	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	9.80%	25 February 2020
SERIES C (2016-17)/9	100	1,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	9.80%	27 February 2020
SERIES C (2016-17)/10	51	510	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	9.55%	18 March 2020
SERIES A (2015-16)/3	450	4,500	Exclusive charge over specific receivables	1.11 Time of amount Outstanding and Interest amount outstanding at any point of time	10.75%	08 June 2020
Series C	1500	15,000	First pari-passu charge on all present and future trade receivables	1.25 Time of amount Outstanding and Interest amount outstanding at any point of time	8.53%	03 July 2020
SERIES M-1/ FY19/FY22	825	9,138	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.25%	30 April 2021
SERIES A (2016-17)/07	997	9,970	Exclusive charge over specific receivables	1.11 Time of amount Outstanding and Interest amount outstanding at any point of time	9.85%	15 May 2023
SERIES A-1/ FY19/FY25	2500	25,000	Exclusive charge over specific receivables	1.05 Time of amount Outstanding and Interest amount outstanding at any point of time	10.55%	24 August 2023
SERIES A-4/ FY19/FY25	3000	30,000	Exclusive charge over specific receivables	1.05 Time of amount Outstanding and Interest amount outstanding at any point of time	10.25%	27 January 2024
SERIES A-3/ FY19/FY25	250	2,500	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time	10.00%	19 October 2024
Total	14,874	149,628				

Note : Repayment schedule excludes Unamortised borrowing cost of ₹ 425 lacs and 518 lacs respectively for 31 March 2020 and 31 March 2019.

Notes to Consolidated Financial Statement *(Contd..)*

Unsecured Debentures and Bonds As at 31 March 2020

Interest Rate	Amount ₹ in Lakhs
11.25%	5,000
10.00%	20,000
11.40%	1,500
Total	26,500

Unsecured Debentures and Bonds As at 31 March 2019

Interest Rate	Amount ₹ in Lakhs
10.50%	25,000
10.60%	20,000
11.00%	10,000
11.25%	4,800
11.40%	5,000
11.50%	5,000
11.75%	5,000
Total	74,800

Note : Repayment schedule excludes Unamortised borrowing cost of ₹ 90 lacs and 299 lacs respectively for 31 March 2020 and 31 March 2019.

NOTE 17 : BORROWINGS (OTHER THAN DEBT SECURITIES)

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
At Amortised cost		
Term loans		
(i) from banks	150,595	150,124
(ii) from other parties	10,000	17,000
Demand loans		
(i) from banks	11,432	88,180
(ii) from other parties	8,381	–
Cash credit from banks	(53)	2,308
Total (A)	180,355	257,612
Borrowings in India	180,355	257,612
Borrowings outside India	–	–
Total (B)	180,355	257,612
Secured	171,974	257,612
Unsecured	8,381	–
Total (C)	180,355	257,612

Notes to Consolidated Financial Statement (Contd.)

Security and other terms of loans are as follows :

- a) Rate of interest of cash credit is 3M MCLR (Marginal cost of funds-based Lending Rate) + 2% and is secured by way of hypothecation of receivables. Further, these are repayable on demand.

As at 31 March 2020

- b) Terms of repayment of terms loans

Term loans from banks and NBFC

(₹ in Lakhs)

Maturity	0-1 years	1-3 years	3-5 years	>5 years	Total
Rate of interest					
7.00 % to 12.00 % annually*	40,316	62,500	39,587	8,192	150,595
9 % to 9.25% annually**	10,000	–	–	–	10,000
Total	50,316	62,500	39,587	8,192	160,595

As at 31 March 2019

Terms of repayment of terms loans

Term loans from banks and NBFC

(₹ in Lakhs)

Maturity	0-1 years	1-3 years	3-5 years	>5 years	Total
Rate of interest					
8.25 % to 10.25% annually*	32,880	59,472	40,691	17,081	150,124
9 % to 9.25% annually**	17,000	–	–	–	17,000
Total	49,880	59,472	40,691	17,081	167,124

* Secured against hypothecation of receivables i.e. loans and advances.

** Secured against units of mutual funds and approved list of shares and securities and repayable on demand.

NOTE 18 : DEPOSITS

Particulars

Security deposit (against premises given on lease)

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
	12	5
	12	5

NOTE 19 : OTHER FINANCIAL LIABILITIES

Particulars

Interest accrued and not due on borrowings
Interest accrued and due on borrowings
Unpaid dividend
Margin money
Other payables (includes payable to vendors)
Accrued salaries and benefits
Other provisions (includes provision for expenses)
Book overdraft
Lease liability

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
	4,471	13,755
	946	1,103
	44	36
	22,008	31,567
	4,990	4,799
	581	395
	1,178	1,480
	104	2,743
	3,142	–
	37,464	55,878

Notes to Consolidated Financial Statement (Contd.)

NOTE 20: CURRENT TAX LIABILITIES (NET)

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Provisions for tax (net of advance tax and tax deducted at source)	955	1,290
	955	1,290

NOTE 21 : PROVISIONS

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
For employee benefits (also refer note 45)		
Gratuity unfunded	2,648	2,218
Heritage club benefit	274	207
Ex - gratia payable	8,929	9,315
Compensated absences	687	201
	12,538	11,941

NOTE 22 : DEFERRED TAX LIABILITIES (NET)

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Deferred tax liabilities (net) (Refer note 39)	2,699	12,148
	2,699	12,148

NOTE 23 : OTHER NON FINANCIAL LIABILITIES

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Advance received from customers	1,603	1,718
Withholding and other taxes payables	1,021	938
	2,624	2,656

NOTE 24 : EQUITY SHARE CAPITAL

Particulars	As at 31-Mar-20		As at 31-Mar-19	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
Authorised shares				
Equity shares of ₹ 1 each (Previous year ₹ 1 each)	925,000,000	9,250	925,000,000	9,250
Redeemable preference shares of ₹ 100 each (Previous year ₹ 100 each)	5,650,000	5,650	5,650,000	5,650
Total	930,650,000	14,900	930,650,000	14,900
Issued and subscribed				
Equity shares of ₹ 1 each	148,066,718	1,481	145,680,358	1,457
Paid-up				
Equity shares of ₹ 1 each	148,066,718	1,481	145,680,358	1,457
Total	148,066,718	1,481	145,680,358	1,457

Notes to Consolidated Financial Statement (Contd.)

a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year.

Particulars	As at 31-Mar-20		As at 31-Mar-19	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
Outstanding at the beginning of the year	145,680,358	1,457	145,083,558	1,451
Stock options exercised under the ESOS	1,055,432	11	596,800	6
Preferential Issue*	1,330,928	13	–	–
Outstanding at the end of the year	148,066,718	1,481	145,680,358	1,457

* Note: Shares were allotted for consideration other than cash.

b) Terms/rights attached to shares :

Equity shares

The Company has one class of equity shares having a par value of ₹ 1 each (previous year: having a par value of ₹ 1 each). Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2020, dividend recognized as distribution to equity shareholders was ₹ 8.50 per share consisting of final dividend of ₹ 4.50 per share for previous year ended 31 March 2019 and interim dividend of ₹ 4 per share for year ended 31 March 2020. The total dividend appropriated amounts to ₹ 12,984 lakhs (Previous Year: ₹ 12,505 lakhs) and dividend distribution tax of ₹ 2,603 lakhs (Previous year: ₹ 2,733 lakhs)

Preference shares :

The Company has only one class of preference shares having a par value of ₹ 100 and there are no preference shares issued and subscribed as on 31 March 2020 and 31 March 2019.

c) Shares of the Company held by the holding

Equity shareholders	As at 31-Mar-20		As at 31-Mar-19	
	Number	% holding	Number	% holding
Passionate Investment Management Private Limited	84,921,363	57.35	80,343,667	55.15

d) Details of shareholders holding more than 5% of the shares in the Company

Equity shareholders	As at 31-Mar-20		As at 31-Mar-19	
	Number	% holding	Number	% holding
Passionate Investment Management Private Limited	84,921,363	57.35	80,343,667	55.15
Mr. Motilal Oswal	8,525,972	5.76	10,162,071	6.98
Mr. Raamdeo Agarawal	7,927,265	5.35	10,162,071	6.98
Mr. Navin Agrawal	7,368,010	4.98	7,004,010	4.81

e) Aggregate number of bonus share issued, shares issued for consideration other than cash and shares bought back the period for Five years immediately preceding the reporting date :

Particulars	For the year ended (Number of shares)					
	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15
Allotted as fully paid up without payment being received in cash	1,330,928	–	–	–	–	–
Equity shares bought back	–	–	–	–	–	2,756

Notes to Consolidated Financial Statement (Contd.)

NOTE 25 : OTHER EQUITY

(I) Reserves and surplus :

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
a) Statutory reserve		
Balance at the beginning of the year	3,812	15,894
Add: Transfer from Statement of Profit and Loss for the year	782	42
Less: Transfer to general reserve	–	(12,124)
Balance as at end of the year	4,594	3,812
b) Capital redemption reserve		
Balance at the beginning of the year	2,504	2,259
Add: Transfer from Statement of Profit and Loss for the year	–	245
Balance as at end of the year	2,504	2,504
c) Securities premium		
Balance at the beginning of the year	51,512	48,793
Addition during the year on account of share issue	3,964	1,820
Add: Transfer from Employee stock option reserve	1,017	899
Balance as at end of the year	56,493	51,512
d) Employee stock options outstanding reserve		
Balance at the beginning of the year	4,315	3,317
Addition during the year	1,098	1,897
Less: Transfer to securities premium account	(1,017)	(899)
Balance as at end of the year	4,396	4,315
e) Capital reserve on consolidation		
Balance at the beginning of the year	5,084	5,084
Balance as at end of the year	5,084	5,084
f) General reserve		
Balance at the beginning of the year	15,304	4,974
Less: Transfer from/(to) debenture redemption reserve	3,352	(1,794)
Less : Transfer from capital redemption reserve/Statutory reserves	–	12,124
Balance as at end of the year	18,656	15,304
g) Debenture redemption reserve		
Balance at the beginning of the year	3,352	1,558
Add: Transfer (from)/to general reserve	(3,352)	1,794
Balance as at end of the year	–	3,352
h) Foreign currency translation reserve		
Balance at the beginning of the year	289	197
Addition during the period	152	92
Balance as at end of the year	441	289
i) Impairment reserve		
Balance at the beginning of the year	–	–
Add: Transferred from statement of profit and loss	62	–
	62	–

Notes to Consolidated Financial Statement *(Contd..)*

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
j) Retained earnings		
Balance at the beginning of the year	199,025	186,081
Add: Net profit for the year	18,337	29,397
Less: Final Dividend	(8,263)	(6,549)
Less: Interim Dividend	(4,721)	(5,956)
Less: Dividend Distribution Tax	(2,603)	(2,733)
Less: Transfer to Statutory Reserve	(782)	(42)
Less: ECL provision reserve	(62)	–
Less: Transfer to General Reserve	133	–
Less: Transfer to Capital Redemption reserve	–	(245)
Less: Minority Balance Sheet Effect	1,148	(928)
Balance as at end of the year	202,212	199,025
k) Other comprehensive income		
Balance at the beginning of the year	18,690	18,982
Add : Other comprehensive income for the year	(5,983)	(292)
	12,707	18,690
	307,149	303,887

Nature and purpose of Other Reserve :

Statutory Reserve

The Company creates a reserve fund in accordance with the provisions of section 29C of The National Housing Bank Act, 1987 and section 45-IC of the Reserve Bank of India Act, 1934 and transfers therein an amount of equal to/more than twenty per cent of its net profit of the year, before declaration of dividend.

Capital Redemption Reserve

The capital redemption reserve is created to be utilised towards redemption of preference shares. The reserve will be utilised in accordance with provision of the Act.

Securities Premium

Security premium account is use to record the premium received on issue of shares. The reserve will be utilised in accordance with the provisions of the Act.

Employee stock options outstanding reserve

Share option outstanding account is used to recognize the grant date fair value of equity settle instruments issued to employees under the stock option scheme of the company.

Capital reserve on consolidation

Capital reserve is the excess of net assets taken over cost of consideration paid.

General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to statement of profit and loss. General reserve is used to transfer to debenture redemption reserve.

Debenture redemption reserve

Debenture Redemption Reserve is created as per Rule 18(7)(b)(iii) of Companies (Share Capital and Debentures) Rules, 2014, the same should be created before redemption of Non convertible debenture starts. Debenture Redemption Reserve is being created by transferring from general reserve.

Notes to Consolidated Financial Statement (Contd.)

Foreign currency translation reserve

Foreign currency translation reserve is created out of Exchange differences in translating the financial statements of foreign operations.

Impairment reserve

Where impairment allowance under Ind AS 109 is lower than the provisioning required under prudential norms on Income Recognition, Asset Classification and Provisioning (IRACP) (including standard asset provisioning), NBFCs shall appropriate the difference from their net profit or loss after tax to a separate 'Impairment Reserve'. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, RBI.

Retained earnings

Retained earnings represents accumulated profits of the company.

Other comprehensive income

Other comprehensive income consists of cumulative gains on the fair valuation of equity instruments measured at fair value through other comprehensive income and remeasurement gains/loss on defined benefit plan.

NOTE 26 : INTEREST INCOME

	For the Year ended 31-Mar-20 ₹ in Lakhs	For the Year ended 31-Mar-19 ₹ in Lakhs
On financial assets measured at amortised cost		
Interest Income on Loan		
Home loans	56,347	62,837
Interest Income on other activity		
Broking activity	3,766	2,101
Margin Funding	4,802	6,844
Delayed payment by customers	8,039	9,399
Interest on deposit with banks		
Home loan business	20	21
Broking activity	3,780	581
	76,754	81,783

NOTE 27 : DIVIDEND INCOME

	For the Year ended 31-Mar-20 ₹ in Lakhs	For the Year ended 31-Mar-19 ₹ in Lakhs
Dividend Income	194	37
	194	37

NOTE 28 : RENTAL INCOME

	For the Year ended 31-Mar-20 ₹ in Lakhs	For the Year ended 31-Mar-19 ₹ in Lakhs
Rent received	39	363
	39	363

Notes to Consolidated Financial Statement (Contd.)

NOTE 29 : FEES AND COMMISSION INCOME

	For the Year ended 31-Mar-20 ₹ in Lakhs	For the Year ended 31-Mar-19 ₹ in Lakhs
Brokerage and related activities		
Brokerage income	76,008	66,874
Research and advisory fees	1,225	2,023
Distribution income	4,061	3,261
Depository income	2,541	2,356
	83,835	74,514
Investment banking fees	1,190	3,713
Asset management and advisory fees		
Portfolio Management Fees	36,998	37,842
Investment management and advisory fees from :		
- Mutual fund	13,619	16,051
- Alternate investment funds	4,652	4,416
- Private Equity	10,276	10,308
Wealth management	4,352	4,696
	69,897	73,313
	154,922	151,540

NOTE 30 : NET GAIN/(LOSS) ON FAIR VALUE CHANGES

	For the Year ended 31-Mar-20 ₹ in Lakhs	For the Year ended 31-Mar-19 ₹ in Lakhs
On financial instruments designated at fair value through profit or loss	(21,902)	7,376
	(21,902)	7,376
Fair Value changes:		
Realised	14,003	15,889
Unrealised	(35,905)	(8,513)
	(21,902)	7,376
Net gain on fair value changes included in:		
Fund based activities	(26,417)	564
Brokerage and related activities	4,063	5,908
Asset Management and advisory fees	250	278
Housing finance	202	626
	(21,902)	7,376

Notes to Consolidated Financial Statement (Contd.)

NOTE 31 : OTHER OPERATING INCOME

	For the Year ended 31-Mar-20 ₹ in Lakhs	For the Year ended 31-Mar-19 ₹ in Lakhs
Brokerage and operating income	2,503	1,800
Investment banking fees	19	57
Asset management fees	18	377
Fund based Income	574	929
Housing finance related	732	663
	<u>3,846</u>	<u>3,826</u>

NOTE 32 : OTHER INCOME

	For the Year ended 31-Mar-20 ₹ in Lakhs	For the Year ended 31-Mar-19 ₹ in Lakhs
Profit on sale of property, plant and equipment	93	2
Interest income	33	67
Other non operating income	659	1,095
Partnership gain/(loss)	0	37
Net gain or loss on foreign currency transaction and translation	1	48
	<u>786</u>	<u>1,249</u>

NOTE 33 : FINANCE COST

	For the Year ended 31-Mar-20 ₹ in Lakhs	For the Year ended 31-Mar-19 ₹ in Lakhs
On Financial liabilities measured at Amortised Cost		
Interest on borrowings	18,952	26,837
Interest on debt securities	28,492	23,716
Other borrowing cost	1,628	1,132
Interest cost on lease liabilities	375	—
	<u>49,447</u>	<u>51,685</u>

Notes to Consolidated Financial Statement *(Contd..)*

NOTE 34 : FEES AND COMMISSION EXPENSE

	For the Year ended 31-Mar-20 ₹ in Lakhs	For the Year ended 31-Mar-19 ₹ in Lakhs
Brokerage sharing with intermediaries		
Broking	31,281	30,263
Wealth management	278	213
	31,559	30,476
Placement fees		
Private equity	79	305
	79	305
Depository and processing charges		
Broking	365	359
Asset Management	199	159
	564	518
Distribution cost and spillover expense		
Portfolio management services	12,428	12,546
Alternative investment fund	1,704	1,652
	14,132	14,198
Advisory referral and other expenses		
Broking	111	37
Investment Banking	–	56
Private equity	466	574
	577	667
	46,911	46,164

NOTE 35 : IMPAIRMENT ON FINANCIAL INSTRUMENTS

	For the Year ended 31-Mar-20 ₹ in Lakhs	For the Year ended 31-Mar-19 ₹ in Lakhs
Impairment on financial instruments at Amortised cost		
Loans (also refer note 7)	7,691	35,392
Receivables (also refer note 6)	1,439	649
	9,130	36,041

Notes to Consolidated Financial Statement (Contd.)

NOTE 36 : EMPLOYEE BENEFITS EXPENSE

	For the Year ended 31-Mar-20 ₹ in Lakhs	For the Year ended 31-Mar-19 ₹ in Lakhs
Salary, bonus and allowances	49,875	45,497
Contribution to provident fund and other benefits	1,192	979
Expenses on employee stock option scheme (also refer note 53)	1,214	1,954
Staff welfare expenses	889	992
Gratuity (also refer note 52)	810	755
	<u>53,980</u>	<u>50,177</u>

NOTE 37 : DEPRECIATION AND AMORTIZATION EXPENSES

	For the Year ended 31-Mar-20 ₹ in Lakhs	For the Year ended 31-Mar-19 ₹ in Lakhs
Depreciation / amortization of property, plant and equipment and intangible assets) [also refer note. 13]	3,918	2,340
Depreciation on investment property [also refer note. 12]	53	55
	<u>3,971</u>	<u>2,395</u>

NOTE 38 : OTHER EXPENSES

	For the Year ended 31-Mar-20 ₹ in Lakhs	For the Year ended 31-Mar-19 ₹ in Lakhs
Rates and taxes	603	701
Rent (also refer note 40)	505	1,693
Insurance	470	376
Repairs and maintenance	378	387
Computer repairs and maintenance	969	979
Legal and professional charges	3,097	2,179
Remuneration to auditors (also refer note. 41)	153	130
Membership and subscription	46	49
Data processing charges	875	782
Marketing and brand promotion expenses	3,030	2,724
Advertisement expenses	1,748	1,802
Printing and stationery	741	638
Power and fuel	896	858
Communication expenses	1,656	1,904
Travelling and conveyance expenses	2,883	2,756
Donations	109	201
Corporate social responsibility expenses (also refer note 49)	1,659	1,090
Entertainment expenses	173	217
Foreign exchange fluctuation	(14)	28
SEBI registration fees	7	10
Miscellaneous expenses	2,697	2,418
	<u>22,681</u>	<u>21,922</u>

Notes to Consolidated Financial Statement (Contd..)

NOTE 39.1 : TAX EXPENSE

The Company pays taxes according to the rates applicable in India. Most taxes are recorded in the income statement and relate to taxes payable for the reporting period (current tax), but there is also a charge or credit relating to tax payable for future periods due to income or expenses being recognised in a different period for tax and accounting purposes (deferred tax). Tax is charged to equity when the tax benefit exceeds the cumulative income statement expense on share plans. The Company provides for current tax according to the tax laws of India using tax rates that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns in respect of situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Deferred tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A deferred tax asset is recognised when it is considered recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Particulars	Year ended 31-Mar-20 ₹ in Lakhs	Year ended 31-Mar-19 ₹ in Lakhs
Current tax expense		
Current tax expense		
Current tax for the year	13,371	18,426
Total current tax expense	13,371	18,426
Deferred taxes		
Change in deferred tax liabilities	(6,424)	(9,100)
Net deferred tax expense	(6,424)	(9,100)
Short/(excess) provision for earlier years	32	(61)
	6,979	9,265

NOTE 39.2 : TAX RECONCILIATION (FOR PROFIT AND LOSS)

Particulars	Year ended 31-Mar-20 ₹ in Lakhs	Year ended 31-Mar-19 ₹ in Lakhs
Profit/(loss) before income tax expense	28,519	37,790
Tax rate	25.17%	29.12%
Tax at the rate	7,178	11,004
Tax effect of amounts which are not deductible / not taxable in calculating taxable income		
Expenses not deductible for tax purpose	110	149
Recognition of tax on unamortised borrowings	52	(75)
Exempt income	(268)	(454)
Change due to deferred tax	(1,444)	305
Tax adjustment of previous years	34	15
Tax rebate	(72)	(77)
MAT credit receivable	–	9
Provision for employees benefits	–	(10)
Miscellaneous disallowance	10	52
Temporary tax difference	–	15
Tax at different rate	1,379	(1,669)
Effective tax	6,979	9,264

Notes to Consolidated Financial Statement (Contd.)

NOTE 39.3 : NET DEFERRED TAX

Particulars	Year ended 31-Mar-20 ₹ in Lakhs	Year ended 31-Mar-19 ₹ in Lakhs
Deferred tax liability on account of :		
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	1,352	1,891
Unrealised gain / (loss)	(182)	8,149
Amortization of distribution costs	3,870	3,484
Impairment of Loans and trade receivables	(293)	(387)
Provision for employees benefits	(125)	(94)
Carried forward losses	–	326
Expenses allowable u/s. 43B on payment basis	(409)	(509)
Impairment of investments	(278)	(278)
Loss on private equity investment	5	7
MAT credit receivable	(1,241)	(441)
Total deferred tax liabilities (A)	2,699	12,148
Deferred tax assets on account of:		
Impairment of Loans and trade receivables	1,526	6,101
Carried forward losses	7,891	7,934
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	229	329
Effective Interest Rate	472	(67)
Amortization of distribution costs	1,180	(852)
Provision for employees benefits	149	177
Provision for VAT	13	14
MAT credit receivable	9	945
Unrealised gain / (loss)	965	(115)
Preliminary expense	14	0
Unamortized borrowing cost	(146)	(284)
Deposit and rent Equalization	81	81
Provision for compensated absence	39	36
Reserve created u/s 36(1)(viii) of Income Tax Act	6	(9)
Total deferred tax assets (B)	12,428	14,290
Net deferred tax Liability/ (Assets) (A-B)	(9,729)	(2,142)

Notes to Consolidated Financial Statement *(Contd..)*

NOTE 39.4 : MOVEMENT OF DEFERRED TAX

Particulars	As at 31 March 2020	Recognised through profit and loss	Recognised through Other Comprehensive Income	As at 31 March 2019	Recognised through profit and loss	Recognised through Other Comprehensive Income	As at 01 April 2018
Deferred tax liabilities on account of:							
Timing difference on Property, plant and equipment as per books and Income Tax Act, 1961	1,352	(539)	–	1,891	279	–	1,612
Unrealised gain / (loss)	(182)	(8,331)	–	8,149	(2,236)	–	10,385
Amortization of distribution costs	3,870	387	–	3,484	(2,206)	–	5,689
Impairment of Loans and trade receivables	(294)	93	–	(387)	(60)	–	(327)
Provision for employees benefits	(125)	(31)	–	(94)	(33)	–	(61)
Carried forward losses	–	(326)	–	326	347	–	(22)
Expenses allowable u/s 43B on payment basis	(409)	100	–	(509)	(91)	–	(418)
Impairment of investments	(278)	–	–	(278)	(29)	–	(249)
Loss on private equity investment	5	(2)	–	7	(4)	–	11
MAT credit receivable	(1,241)	(800)	–	(441)	1,164	–	(1,605)
Sign on bonus pending write off	–	–	–	–	(6)	–	6
Interest accrued on ORCD	–	–	–	–	69	–	(69)
Rent income	–	–	–	–	74	–	(74)
Total deferred tax liabilities	2,699	(9,449)	–	12,148	(2,732)	–	14,878
Deferred tax assets on account of:							
Impairment of Loans and trade receivables	1,526	(4,574)	–	6,101	2,286	–	3,814
Carried forward losses	7,891	(44)	–	7,934	7,919	–	15
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	229	(100)	–	329	89	–	240
Effective Interest Rate	471	538	–	(67)	(1,106)	–	1,039
Amortization of distribution costs	1,180	2,032	–	(852)	(2,815)	–	1,963
Provision for employees benefits	149	41	(69)	177	61	(64)	180
Provision for VAT	13	(0)	–	14	(1)	–	15
MAT credit receivable	9	(935)	–	945	164	–	781
Unrealised gain / (loss)	965	284	796	(115)	(116)	55	(53)
Preliminary expense	14	14	–	0	459	–	(459)
Unamortized borrowing cost	(146)	138	–	(284)	(311)	–	27
Deposit and rent Equalization	81	–	–	81	81	–	(0)
Provision for compensated absence	39	3	–	36	3	–	33
Reserve created u/s 36(1)(viii) of Income Tax Act	6	14	–	(9)	(9)	–	–
Total deferred tax assets	12,428	(2,589)	727	14,290	6,703	(9)	7,595
Total deferred tax Assets/liability (net)	(9,729)	(6,860)	(727)	(2,142)	(9,435)	9	7,283

Deferred tax recognised through profit and loss also includes deferred tax on associates.

Notes to Consolidated Financial Statement (Contd.)

NOTE 40 : CONTINGENT LIABILITIES AND COMMITMENTS TO THE EXTENT NOT PROVIDED FOR

(A) The Group has provided bank guarantees aggregating to ₹ 24,085 lakhs (Previous year : ₹ 7,885 lakhs) lakhs) as on 31 March 2020 for the following purposes to:

- 1) Bombay Stock Exchange Limited - ₹ 10,000 lakhs (Previous year : Nil) for meeting margin requirements.
- 2) National Stock exchange - ₹ 12,500 lakhs (Previous year ₹ 6300 lakhs) for meeting margin requirements.
- 3) Unique Identification Authority - ₹ 25 lakhs (Previous year ₹ 25 lakhs) for security deposit.
- 4) Hindalco Industries Limited - ₹ 1,500 lakhs (Previous year ₹ 1500 lakhs) for margin deposit.
- 5) Municipal Corporation of Greater Mumbai - ₹ 5 (Previous year ₹ 5 lakhs) lakhs for security deposit .
- 6) Bombay High Court - ₹ 55 lakhs for security deposit (Previous year - ₹ 55 lakhs)
- 7) The Group has pledged fixed deposits with banks aggregating ₹ 1,382 lakhs (Previous year ₹ 4735 lakhs) for obtaining Bank guarantee.

(B) Particulars	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Demand in respect of income tax matters for which appeal is pending (Refer note i)	6,264	4,839

(C) Claims against the Company:

Pending against forum

	Number of Cases As at 31-Mar-20	Number of Cases As at 31-Mar-19
Civil cases	25	26
Total	25	26

Pending against forum

	Amount As at 31-Mar-20	Amount As at 31-Mar-19
Civil cases	1,023	1,184
Total	1,023	1,184

The proceedings held at exchange level are considered as "Arbitration"

The proceedings / Appeals held at Supreme court/ High court/District court are considered as "Civil cases".

The proceedings held at consumer court are considered as "Consumer cases".

(D) Capital Commitments:

Particulars	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
(i) Undrawn committed sanctions to borrowers	6,718	14,992
(ii) Estimated amount of contracts remaining to be executed on capital account	1,115	381
(iii) Uncalled Liability on shares and other investments partly paid:		
(1) India Reality Excellence Fund II	-	-
(2) India Reality Excellence Fund III	-	199
(3) India Business Excellence Fund III	12,797	18,154
(4) India Realty Excellence Fund IV	3,500	6,500

Notes to Consolidated Financial Statement (Contd.)

- i) Demand in respect of Income Tax matters for which appeal is pending is ₹ 6,264 lakhs (Previous year ₹ 4,839 lakhs). This is disputed by the Company and hence not provided for. The Company has paid demand of ₹ 1,159 lakhs till date (Previous year ₹ 369 lakhs) under protest. These does not include interest u/s 234(b) & u/s 234(c) as same in the books of accounts depends on the outcome of demand.

The Group is contesting the demands and the management believes that its position will likely be upheld in the 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 Group's financial position and results of operations.

NOTE 41 : AUDITORS' REMUNERATION

Particulars	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
As Auditors:		
Statutory audit	145	125
In other capacity:		
Certification	7	4
Out of pocket expenses	1	1
Total	153	130

NOTE 42 : LEASES

The Company has taken various office premises on operating lease for the period which ranges from 12 months to 108 months with an option to renew the lease by mutual consent on mutually agreeable terms.

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

The adoption of the new standard Ind AS 116, resulted in recognition of 'Right of Use' (ROU) asset of ₹ 3,778 lakhs and a lease liability of ₹ 3,778 lakhs. Ind AS 116 will result in an increase in cash in flows from operating activities and an increase in cashout flows from financing activities on account of lease payments.

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2019 is 8.20 %.

Information about leases for which the company is a lessee are presented below:

(A) Right of use assets for the year ended 31 March 2020

Particulars	Amount ₹ in Lakhs
Balance as at 1 April 2019	—
Adjustment on transition to Ind AS 116	3,778
Movement during the year	465
Depreciation on Right-Of-Use (ROU) assets	(1,366)
Balance as at 31 March 2020	2,877

Notes to Consolidated Financial Statement (Contd.)

(B) Lease liabilities for the year ended 31 March 2020

Particulars

	Amount ₹ in Lakhs
Balance as at 1 April 2019	–
Adjustment on transition to Ind AS 116	3,778
Movement during the year	465
Add: Interest cost accrued during the period	374
Less: Payment of lease liabilities	(1,475)
Balance as at 31 March 2020	3,142

(C) Maturity analysis - Discounted Cashflows of Contractual maturities of lease liabilities as at 31 March 2020

Particulars

	Amount ₹ in Lakhs
Less than three months	377
Three to twelve months	819
One to five years	1,752
More than five years	194
Total	3,142

(D) Amount recognised in statement of profit & loss for the year ended 31 March 2020

Particulars

	As at 31-Mar-20 ₹ in Lakhs
Interest cost on lease liabilities	374
Depreciation on right of use assets	1,366
Rental Expenses recorded for short-term lease payments and payments for leases of low-value assets not included in the measurement of the lease liability	1,416

(E) Amount recognised in statement of cash flows for the year ended 31 March 2020

Particulars

	As at 31-Mar-20 ₹ in Lakhs
Cash payments for the principal & interest portion of the lease liability within financing activities	(1,475)
Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability within operating activities.	1,416

Comparatives as at and for the year ended 31 March 2019 have not been retrospectively adjusted and therefore expected future minimum commitments as at 31 March 2019 during the non-cancellable period under the lease arrangements have been presented below, based on the financial statements for the year ended 31 March 2019. Further there are no short term or low value leases, for which Company carries any material commitments.

Minimum future lease payment under non cancellable operating lease:

Particulars

	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Not later than 1 year	–	960
More than 1 year and not later 3 years	–	794
Later than 5 year	–	17
Total	–	1,771

Notes to Consolidated Financial Statement (Contd.)

NOTE 43 : IMPACT OF COVID-19

The SARS-CoV-2 virus responsible for COVID -19 continues to spread across the globe and India, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a significant decrease in the economic activities. On 11 March 2020, the COVID-19 outbreaks declared as a global pandemic by the World Health Organisation. On 24 March 2020 the Indian Government had announced a strict 21 day lockdown which kept on getting extended across the country with gradual and modest relaxations. The Company as a Sponsor/as a part of its Investment portfolio makes various investments in the Alternative Funds (Private Equity Funds & Real Estate Funds). The company fair values these investments at every Balance sheet date and the Mark to Market impact on the same is taken in the Statement of Profit & Loss for the reporting period. Fair valuation of these Investments amounting to ₹ 52,596 lakhs are dependent on respective Fund's Fair value which is determined by Scheme's Investment Manager. They are required to make judgements, estimates and assumptions which are also based on historical experience and various other factors including the possible effects that may result from the pandemic, that are believed to be reasonable under the current circumstances. Given the dynamic nature of the pandemic situation, the carrying valuation of the Company's investment in Private Equity Funds and Real Estate Funds as at 31 March 2020, may be affected by the severity and duration of the outbreak.; however the Company believes that it has taken into account all the possible impact of known events arising out of COVID 19 pandemic in the preparation of financial results resulting out of fair valuation of these investments. However the impact assessment of COVID 19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

NOTE 44 : EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share

Diluted EPS is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year for the purpose of basic EPS plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Particulars	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Net Profit attributable to equity shareholders [A]	18,337	29,397
Weighted average number of equity shares for Basic EPS Face value ₹ 1 each [B] (In numbers)	147,023,376	145,432,053
Basic Earnings per share (EPS) on PAT (Before OCI) (₹) [A/B]	12.47	20.21

Particulars	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Net Profit attributable to equity shareholders [A]	18,337	29,397
Less : Impact on Net profit due to exercise of diluted potential equity shares [B]	–	–
Net Profit attributable to equity shareholders for calculation of Diluted EPS [C] = [A - B]	18,337	29,397
Weighted average number of equity shares issued (face value of ₹ 1 each) (In numbers) [D]	147,023,376	145,432,053
Weighted average number of additional equity shares outstanding for Diluted EPS (In numbers) (E)	3,301,812	4,021,647
Weighted average number of equity shares outstanding for Diluted EPS (In numbers) F = [D+E]	150,325,188	149,453,700
Diluted Earnings per share (EPS) on PAT (Before OCI) (₹) [C/F]	12.20	19.67

Notes to Consolidated Financial Statement (Contd..)

NOTE 45 :

Provisions made for the year ended 31 March 2020 comprises of:

Particulars	Opening balance as on 1-Apr-19 ₹ in Lakhs	Provided during the year ended 31-Mar-20 ₹ in Lakhs	Provision Paid /reversed during the year ended 31-Mar-20 ₹ in Lakhs	Closing balance as on 31-Mar-20 ₹ in Lakhs
Ex-gratia	9,314	9,031	9,416	8,929
Compensated absences	202	675	190	687
Gratuity	2,218	610	180	2,648
Heritage Club	207	110	43	274
Total	11,941	10,426	9,829	12,538

Provisions made for the year ended 31 March 2019 comprises of:

Particulars	Opening balance as on 1-Apr-18 ₹ in Lakhs	Provided during the year ended 31-Mar-19 ₹ in Lakhs	Provision Paid / reversed during the year ended 31-Mar-19 ₹ in Lakhs	Closing balance as on 31-Mar-19 ₹ in Lakhs
Ex-gratia	12,899	9,293	12,878	9,314
Compensated absences	107	225	130	202
Gratuity	1,969	565	316	2,218
Heritage Club	112	135	40	207
Total	15,087	10,218	13,364	11,941

NOTE 46 : PROPOSED DIVIDEND

The final dividend proposed for the year is as follows:

On Equity Shares of ₹ 1 each

Amount of dividend proposed including dividend distribution tax

Dividend per equity share (₹)

	As at 31-Mar-20	As at 31-Mar-19
	–	7,903
	–	4.5

NOTE 47 : CREDIT RATINGS

- Crisil Limited reaffirmed the Credit Rating of "CRISIL A1+" (pronounced 'CRISIL A One Plus') to the Commercial Paper Programme of ₹ 1,30,000 lakhs (Previous year 1,30,000 lakhs) of the Motilal Oswal Financial Services Limited. Crisil Limited upgraded the Credit Rating of "CRISIL AA-/Stable" (pronounced 'CRISIL A minus rating with stable outlook') (previous year: "CRISIL A+/Stable") to the non-convertible debentures and long term bank facilities; further reaffirmed the Credit Rating of "CRISIL A1+" (pronounced 'CRISIL A One Plus') to the Commercial Paper Programme of the Motilal Oswal Home Finance Limited (Formerly known as Aspire Home Finance Corporation Limited). CRISIL has reaffirmed its 'CRISIL AA-/CRISIL PP-MLD AA-r/Stable/CRISIL A1+' rating on the debt instruments and bank loan facilities of ₹ 10,000 lakhs each of the Motilal Oswal Home Finance Limited (Formerly known as Aspire Home Finance Corporation Limited). Crisil Limited reaffirmed the Credit Rating of "CRISIL A1+" (pronounced 'CRISIL A One Plus') to the Commercial Paper Programme of ₹ 2,50,000 lakhs (Previous year 50,000 lakhs) of the Motilal Oswal Finvest Limited."
- India Ratings and Research affirmed the Credit Rating of "IND A1+" (pronounced 'IND A One Plus') to the Commercial Paper Programme of ₹ 1,30,000 lakhs (Previous year 1,30,000 lakhs) of the Motilal Oswal Financial Services Limited. India Ratings and Research affirmed the Credit Rating of "IND A1+" (pronounced 'IND A One Plus') to the Commercial Paper Programme of ₹ 2,00,000 lakhs (Previous year 1,00,000 lakhs) of the Motilal Oswal Finvest Limited."
- ICRA has reaffirmed the rating of "ICRA AA" rating with stable outlook (pronounced ICRA A+ rating with stable outlook') to the long term debt programme of ₹ 35,000 lakhs (Previous year ₹ 35,000 lakhs) of the Motilal Oswal Financial Services Limited. ICRA has reaffirmed the rating of "ICRA A+" rating with stable outlook (pronounced ICRA A PLUS rating with stable outlook') to non-convertible debentures and long term bank facilities; further reaffirmed the Credit Rating of "ICRA A1+" (pronounced 'ICRA A One Plus') to the Commercial Paper Programme of the Motilal Oswal Home Finance Limited (Formerly known as Aspire Home Finance Corporation Limited).
ICRA has also assigned [ICRA]A+ (Stable) rating for the Sub-ordinate Debt Programme (Non-Convertible Debentures) and PP-MLD [ICRA]A+ (Stable) rating for the Market Linked Debenture programme of the Motilal Oswal Home Finance Limited (Formerly known as Aspire Home Finance Corporation Limited).

Notes to Consolidated Financial Statement (Contd.)

NOTE 48 : AMOUNT OF MARGIN MONEY AND SHARES RECEIVED FROM CLIENTS AND OUTSTANDING AS ON 31 MARCH, 2020 ARE AS FOLLOWS:

Security Settlement for the	In the form of Securities at market Value*	Bank Guarantees and Fixed Deposits	Received in bank
Year ended 31 March 2020	153,081	5,183	21,418
Year ended 31 March 2019	192,492	2,710	28,979

*Margin money received in the form of securities from clients, as per the Regulations, is held by the Company. Out of this, securities worth ₹ 159,099 Lakhs (Previous year ₹ 168,113 Lakhs) are pledged with Exchange as on March 31, 2020.

NOTE 49 : CORPORATE SOCIAL RESPONSIBILITY

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from April 1, 2014. As per the provisions of the said section, the Company has undertaken the following CSR initiatives during the financial year 2019-20.

CSR initiatives majorly includes supporting under privileged in education, medical treatments, etc and various other charitable and noble aids.

a) Gross amount required to be spent by the Group during the year ₹ 999 lakhs (Previous Year ₹ 927 lakhs)

b) Amount spent during the year on :

Particulars	Amount Paid 31-Mar-20 ₹ in Lakhs	Amount Paid 31-Mar-19 ₹ in Lakhs
a) Construction/acquisition of any asset :	795	800
b) On purposed other than (a) above	864	290
Total	1,659	1,090

c) Above includes a contribution of ₹ 1,033 lakhs (Previous year ₹ 841 lakhs) to Motilal Oswal Foundation which is classified as related party under IndAS 24 - "Related Party Disclosures".

NOTE 50 : ASSETS PLEDGED AS SECURITY

Particulars	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Financial assets		
First charge		
Receivables		
(I) Trade receivables	40,725	57,000
Loans	311,025	326,501
Floating charge		
Investments	101,058	118,486
Non-financial assets		
First charge		
Property, plant and equipment	57,078	41,510
Total assets pledged as security	509,886	5,43,497

Terms and conditions:

- Investments, Trade receivables, Loans and Property, plant and equipments are pledge with Banks and NBFCs to against borrowing facilities taken by the Group.
- The margin of two times cover is provided against the loan facilities for pledge of Investments and Trade receivables and 1.67 times for Property, plant and equipment.

Notes to Consolidated Financial Statement *(Contd..)*

NOTE 51 : RELATED PARTY DISCLOSURE

I. List of related parties and their relationship

A) Holding Company

- Passionate Investment Management Private Limited

B) Enterprises in which Key Managerial Personnel have control

- OSAG Enterprises LLP

C) Enterprises in which Key Management Personnel and their relatives exercises Significant Influence:

1. Raamdeo Agarawal (HUF)
2. Textile Exports Private Limited
3. Motilal Oswal Foundation (Trust)
4. Motilal Oswal HUF
5. Like Minded Wealth Creation Trust

D) Key Management Personnel

1. Mr. Motilal Oswal – Managing Director and Chief Executive Officer
2. Mr. Raamdeo Agarawal – Non-Executive Chairman
3. Mr. Praveen Tripathi – Independent Director
4. Mr. Rekha Utsav Shah – Independent Director
5. Mrs. Sharda Agarawal – Independent Director
6. Mr. Vivek Paranjpe – Independent Director

F) Relatives of Key Management Personnel/Enterprise in which relatives of Key Management Personnel have significant influence:-

1. Ms. Vimla Oswal – Spouse of Mr. Motilal Oswal
2. Ms. Vimladevi Salecha – Sister of Mr. Motilal Oswal
3. Mr. Rajendra Gopilal Oswal – Brother of Mr. Motilal Oswal
4. Ms. Suneeta Agarawal – Spouse of Mr. Raamdeo Agarawal
5. Dr. Karoon Ramgopal Agarawal – Brother of Mr. Raamdeo Agarawal
6. Mr. Vinay R. Agarawal – Brother of Mr. Raamdeo Agarawal
7. Mr. Sukhdeo Ramgopal Agarawal – Brother of Mr. Raamdeo Agarawal
8. Mr. Govinddeo R. Agarawal – Brother of Mr. Raamdeo Agarawal
9. Mr. Satish Agarawal – Brother of Mr. Raamdeo Agarawal
10. Ms. Suman Agarawal – Sister of Mr. Raamdeo Agarawal
11. Ms. Anita Anandmurthy Agarawal – Sister of Mr. Raamdeo Agarawal
12. Mr. Vaibhav Agarawal – Son of Mr. Raamdeo Agarawal
13. Ms. Vedika Karnani – Daughter in law of Mr. Raamdeo Agarawal
14. Mr. Pratik M Oswal – Son of Mr. Motilal Oswal

G) Associate Enterprises/Joint venture

1. India Reality Excellance Fund II LLP
2. India Business Excellence Fund III

Notes to Consolidated Financial Statement (Contd.)

II. Transactions with related parties and outstanding balances:

a) Transactions with related parties:

₹ in Lakhs

Particulars	Name of the related party	Holding company		Key managerial personnel/relative of key managerial personnel		Associate enterprise/ Joint venture		Total	
		For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Interest (income)/ expense	Passionate Investment Management Private Limited	1	(2)	-	-	-	-	1	(2)
	Like Minded Wealth Creation Trust	-	-	-	(4)	-	-	-	(4)
Total		1	(2)	-	(4)	-	-	1	(6)
Managerial remuneration	Mr. Motilal Oswal	-	-	240	241	-	-	240	241
	Mr. Pratik Oswal	-	-	28	-	-	-	28	-
	Mr. Raamdeo Agarawal	-	-	168	277	-	-	168	277
Total		-	-	436	518	-	-	436	518
Commission paid	Mr. Raamdeo Agarawal	-	-	114	-	-	-	114	-
Total		-	-	114	-	-	-	114	-
Donation given	Motilal Oswal Foundation (Trust)	-	-	1,033	841	-	-	1,033	841
Total		-	-	1,033	841	-	-	1,033	841
Rent (received)/ paid	Passionate Investment Management Private Limited	(1)	(1)	-	-	-	-	(1)	(1)
	Textile Exports Private Limited	-	-	16	16	-	-	16	16
Total		(1)	(1)	16	16	-	-	15	15
Business support service (received)/paid	Passionate Investment Management Private Limited	(1)	(1)	-	-	-	-	(1)	(1)
	OSAG Enterprises LLP	-	-	56	(1)	-	-	56	(1)
Total		(1)	(1)	56	(1)	-	-	55	(2)
Brokerage (received)	Mr. Motilal Oswal	-	-	6	4	-	-	6	4
	Mr. Raamdeo Agarawal	-	-	7	3	-	-	7	3
Total		-	-	13	7	-	-	13	7
Partnership (gain)	India Reality Excellence Fund II LLP	-	-	-	-	113	1,192	113	1,192
(Gain) on sale of investment	India Reality Excellence Fund II LLP	-	-	-	-	121	359	121	359
Loans given / (received)	Passionate Investment Management Private Limited	21	453	-	-	-	-	21	453
Loans repayment (received) / given	Passionate Investment Management Private Limited	(21)	(453)	-	-	-	-	(21)	(453)

Notes to Consolidated Financial Statement (Contd.)

₹ in Lakhs

Particulars	Name of the related party	Holding company / fellow subsidiaries		Key managerial personnel/relative of key managerial personnel		Associate enterprise/ Joint venture		Total	
		For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Dividend paid	Mr. Motilal Oswal	–	–	798	979	–	–	798	979
	Mr. Raamdeo Agarawal	–	–	774	946	–	–	774	946
	Motilal Oswal–HUF	–	–	0	0	–	–	0	0
	Raamdeo Agarawal (HUF)	–	–	55	55	–	–	55	55
	Ms. Suneeta Agarawal	–	–	25	25	–	–	25	25
	Ms. Vimla Oswal	–	–	11	11	–	–	11	11
	Mr. Rajendra Gopilal Oswal	–	–	5	5	–	–	5	5
	Dr. Karoon Ramgopal Agarawal	–	–	9	9	–	–	9	9
	Mr. Vinay R. Agarawal	–	–	9	9	–	–	9	9
	Mr. Sukhdeo Ramgopal Agarawal	–	–	7	7	–	–	7	7
	Mr. Govinddeo R. Agarawal	–	–	5	5	–	–	5	5
	Ms. Suman Agarawal	–	–	9	9	–	–	9	9
	Mr. Satish Agarawal	–	–	7	7	–	–	7	7
	Ms. Anita Anandmurthy Agarawal	–	–	7	7	–	–	7	7
	Ms. Vimladevi Salecha	–	–	0	0	–	–	0	0
	Ms. Vedika Karnani	–	–	4	–	–	–	4	–
	Mr. Vaibhav Raamdeo Agarawal	–	–	4	–	–	–	4	0
	Osag Enterprises LLP	–	–	0	0	–	–	0	0
	Passionate Investment Management Private Limited	6,965	6,629	–	–	–	–	6,965	6,629
	Total		6,965	6,629	1,729	2,074	–	–	8,694
Portfolio management services fee	Mr. Raamdeo Agarawal	–	–	3	2	–	–	3	2
	Mr. Vaibhav Agarawal	–	–	7	12	–	–	7	12
	Ms. Rekha Shah	–	–	1	0	–	–	1	0
	Ms. Suneeta Agarawal	–	–	23	19	–	–	23	19
Total		–	–	34	33	–	–	34	33

Notes to Consolidated Financial Statement (Contd.)

b) Outstanding balances of related parties:

₹ in Lakhs

Particulars	Name of the related party	Holding company / fellow subsidiaries		Key managerial personnel/relative of key managerial personnel		Associate enterprise/ Joint venture		Total	
		For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended	For the year ended
		31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Investment outstanding balance	India Business Excellence Fund III	–	–	–	–	15,461	12,717	15,461	12,717
	India Reality Excellence Fund II LLP	–	–	–	–	4,406	5,212	4,406	5,212

Note : As the liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

NOTE 52 : DISCLOSURE PURSUANT TO IND AS -19 "EMPLOYEE BENEFITS" IS GIVEN AS BELOW:

a) Defined Contribution Plan

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

Particulars	31-Mar-20 ₹ in Lakhs	31-Mar-19 ₹ in Lakhs
Employers Contribution to Provident Fund and Administrative Expenses	1,017	800
Employers Contribution to ESIC	130	144
Employers Contribution to NPS	45	35
Total	1,192	979

(b) Defined benefit plan

The Group provides for gratuity benefit which is a defined benefit plan covering all its eligible employees.

This plan is unfunded. The gratuity benefits are subject to a maximum limit of up to ₹ 20 lakhs.

The following table set out the status of the gratuity plan as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended) under Ind AS 19 "Employee benefits" and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

(₹ in Lakhs)

Particulars	Gratuity		Heritage club benefits	
	For the Year ended 31-Mar-20	For the Year ended 31-Mar-19	For the Year ended 31-Mar-20	For the Year ended 31-Mar-19
I) Actuarial assumptions				
Mortality	IALM (2012-014) Ultimate	IALM (2006-08) Ultimate	IALM (2012-014) Ultimate	IALM (2006-08) Ultimate
Discount Rate (per annum)	4.80%	7.93%	3.60%	7.12%
Rate of escalation in salary (per annum)	12.68%	12.80%	0.00%	1.29%
Expected rate of return on plan assets (per annum)	–	–	–	–
Employee Attrition Rate (Past Service)	PS: 0 to 37 : 19.34%	PS: 0 to 37 : 19.34%	–	–

Notes to Consolidated Financial Statement (Contd.)

(₹ in Lakhs)

Particulars	Gratuity		Heritage club benefits	
	For the Year ended 31-Mar-20	For the Year ended 31-Mar-19	For the Year ended 31-Mar-20	For the Year ended 31-Mar-19
I) Changes in present value of obligations (PVO)				
PVO at beginning of period	2,218	1,969	207	112
Interest cost	133	51	–	0
Current service cost	675	747	77	135
Transfer In-Liability	30	(41)	–	–
Transfer Out-Liability	(28)	(2)	–	–
Benefits paid	(178)	(316)	(10)	(40)
Contributions by plan participants	1	–	–	–
Actuarial (Gain)/Loss on obligation	(201)	(190)	–	–
PVO at end of period	2,648	2,218	273	207
II) Interest expense				
Interest cost	133	51	–	–
III) Fair value of plan assets	–	–	–	–
IV) Net Liability				
PVO at beginning of period	2,218	1,969	207	112
Net Liability at the beginning of the period	2,218	1,969	207	112
V) Net Interest				
Interest Expenses	133	51	–	0
Net Interest	133	51	–	0
VI) Actual return on plan assets	–	–	–	–
VII) Actuarial (Gain)/loss on obligation				
Due to Demographic Assumption	(104)	(394)	–	–
Due to Financial Assumption	117	130	–	–
Due to Experience	(214)	74	–	–
Total Actuarial (Gain)/Loss	(201)	(190)	–	–
VIII) Fair Value of Plan Assets				
Contributions by Employer	178	316	–	–
Benefits Paid	(178)	(316)	–	–
IX) Past Service Cost Recognised				
Recognised Past service Cost- non vested benefits	–	6	–	–
X) Amounts to be recognized in the balance sheet and statement of profit & loss account				
PVO at end of period	2,648	2,218	273	207
Funded Status	(2,648)	(2,218)	(273)	(207)
Net Asset/(Liability) recognized in the balance sheet	(2,648)	(2,218)	(273)	(207)
XI) Expense recognised in the statement of profit and loss				
Current service cost	675	747	77	135
Net Interest	133	51	–	0
Transfer In-Liability	30	(41)	–	–
Transfer Out-Liability	(28)	(2)	–	–
Expense recognized in the statement of profit and loss	810	755	77	135

Notes to Consolidated Financial Statement (Contd.)

(₹ in Lakhs)

Particulars	Gratuity		Heritage club benefits	
	For the Year ended 31-Mar-20	For the Year ended 31-Mar-19	For the Year ended 31-Mar-20	For the Year ended 31-Mar-19
XII) Other Comprehensive Income (OCI)				
Actuarial (Gain)/Loss recognized for the period	(201)	(189)	–	–
Unrecognized Actuarial (Gain)/Loss from previous period	–	(1)	–	–
Total Actuarial (Gain)/Loss recognized in (OCI)	(201)	(190)	–	–
XIII) Movement in liability recognized in balance sheet				
Opening net liability	2,218	1,969	207	112
Adjustment to opening balance	–	–	–	–
Transfer In-Liability	30	(41)	–	–
Transfer Out-Liability	(28)	(2)	–	–
Expenses as above	808	798	77	135
Contribution paid	(178)	(316)	(10)	(40)
Other Comprehensive Income(OCI)	(201)	(190)	–	–
Closing net liability	2,648	2,218	274	207
XIV) Projected Service Cost 31 Mar 2020	673	–	–	–
XV) Asset Information	–	–	–	–

XVI) Sensitivity Analysis

Particulars	DR: Discount Rate		ER : Salary escalation rate:	
	PVO DR +1%	PVO DR –1%	PVO ER +1%	–
PVO	2,632	2,784	2,687	2,600

XVII) Expected Payout

Year	Expected Outgo					
	First	Second	Third	Fourth	Fifth	Six to ten years
Payouts	912	583	397	280	198	445

Asset Liability Comparisons

Year	31-Mar-16	31-Mar-17	31-Mar-18	31-Mar-19	31-Mar-20
PO at End of period	354	521	1,969	2,218	2,648
Plan Assets	–	–	–	–	–
Surplus / (Deficit)	(354)	(521)	(1,969)	(2,218)	(2,648)
Experience adjustments on plan assets	–	–	–	–	–

NOTE 53 : DISCLOSURE RELATING TO EMPLOYEE STOCK OPTION SCHEME

Details of stock options

Motilal Oswal Asset Management Company Limited -Employees' Stock Option Scheme - I (ESOP - I)

The ESOP - I was approved by the Board of Directors at the meeting on July 22 , 2010 for grant of 20,00,000 equity shares of ₹ 10 each.

Motilal Oswal Asset Management Company Limited -Employees' Stock Option Scheme - II (ESOP - II)

The ESOP - II was approved by the Board of Directors at their meeting held on 21 July, 2014 for grant of 50,00,000 equity shares of ₹ 10 each.

During the year ended 31 March 2017, the subsidiary company Motilal Oswal Asset Management Company Limited has sub divided 65,000,000 equity share of ₹ 10 each into 650,000,000 equity share of ₹ 1 each. Hence, the options granted are also sub-divided in the same proportion.

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

The Scheme was approved by Board of Directors on 18 October 2007 and by the shareholders on 4 December 2007 by postal ballot and is for issue of 25,00,000 options representing 25,00,000 Equity shares of ₹ 1 each

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

The Scheme was approved by Board of Directors on 21 April 2008 and by the shareholders in AGM dated 08 July 2008 and is for issue of 5,000,000 options representing 5,000,000 Equity shares of ₹ 1 each

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

The Scheme was approved by Board of Directors on 19 July 2014 and by the shareholders in AGM dated 22 August 2014 and is for issue of 2,500,000 options representing 2,500,000 Equity shares of ₹ 1 each

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

The Scheme was approved by Board of Directors on 27 April 2017 and by the shareholders in AGM dated 27 July 2017 and is for issue of 30,00,000 options representing 30,00,000 Equity shares of ₹ 1 each

Motilal Oswal Wealth Management Limited -Employees' Stock Option Scheme -I' (ESOP-I)

The ESOS - I was approved by the Board of Directors at its meeting on April 22 , 2016 and by the members at the meeting held on April 29, 2016 consisting of 8,000 Stock Option of Rupees 10 each.

Pursuant to approval of the members at its meeting dated February 20, 2017 for subdivision of face value of equity shares from Rupees 10 to Rupee 1 each, the total number of options allotted and granted also stands sub-divided i.e. total kitty of 80,000 stock option of Rupee 1 each.

Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Limited -Employees' Stock Option Scheme 2014 - (ESOS - 2014)

The Scheme was approved by Board of Directors on 11 September 2014 and by the shareholders in EGM dated 16 October 2014 for issue of 50,000,000 options representing 50,000,000 Equity shares of ₹ 1 each. The grant of stock options for the aforesaid scheme has been done in three tranches.

Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2016 (ESOS-2016)

The Scheme was approved by Board of Directors on 29 April 2016 and by the shareholders in AGM dated 07 July 2016 for issue of 50,000,000 options representing 50,000,000 Equity shares of ₹ 1 each. The grant of stock options for the aforesaid scheme has been done in five tranches.

Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2017 (ESOS-2017)

The Scheme was approved by Board of Directors on 25 April 2017 and by the shareholders in EGM dated 25 May 2017 for issue of 10,000,000 options representing 10,000,000 Equity shares of ₹ 1 each. The grant of stock options for the aforesaid scheme has been done in two tranches.

Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2017 (ESOS-2017 H Co.) (Issued to Holding Company Employees)

The Scheme was approved by Board of Directors on 25 April 2017 and by the shareholders in EGM dated 25 May 2017 for issue of 30,000,000 options representing 30,000,000 Equity shares of ₹ 1 each.

Notes to Consolidated Financial Statement *(Contd..)*

The activity in the (ESOP-I), (ESOP-II), (ESOP-V), (ESOP-VI), ESOP (VII), MOWML ESOP (I), MOHFL ESOS 2014, MOHFL ESOS 2016, MOHFL ESOS 2017, MOHFL ESOS 2017 H Co. during March 2020, March 2019 is set below:

Particulars	As at	Weighted	As at	Weighted
	31-Mar-20	Average	31-Mar-19	Average
	In Numbers	Exercise Price (In ₹)	In Numbers	Exercise Price (In ₹)
The MOAMC (ESOP-I) : (Face value of ₹ 1 each)				
Option outstanding at the beginning of the year	15,000,000	13.40	16,500,000	13.40
Add: Granted	–	–	–	NA
Less: Exercised	2,100,000	13.40	1,500,000	13.40
Less: Forfeited	–	–	–	NA
Less: Lapsed	–	–	–	NA
Option outstanding end of the year	12,900,000	13.40	15,000,000	13.40
Exercisable at the end of the year	1,350,000	13.40	150,000	13.40
The MOAMC (ESOP-II) : (Face value of ₹ 1 each)				
Option outstanding at the beginning of the year	11,650,000	3.73	25,513,624	2.75
Add: Granted	–	–	–	NA
Less: Exercised	9,424,259	2.09	13,863,624	1.93
Less: Forfeited	–	–	–	NA
Less: Lapsed	–	–	–	NA
Option outstanding end of the year	2,225,741	10.67	11,650,000	3.73
Exercisable at the end of the year	825,741	6.04	9,850,000	1.96
The MOFSL (ESOP-V) : (Face value of ₹ 1 each)				
Option outstanding at the beginning of the year	336,900	306.84	556,140	249.03
Add: Granted	–	–	–	–
Less: Exercised	176,400	244.39	219,240	160.19
Less: Forfeited	–	–	–	–
Less: Lapsed	12,500	296.15	–	–
Option outstanding end of the year	148,000	382.18	336,900	306.84
Exercisable at the end of the year	58,250	355.91	70,625	291.00
The MOFSL (ESOP-VI) : (Face value of ₹ 1 each)				
Option outstanding at the beginning of the year	258,567	358.48	353,227	302.33
Add: Granted	–	–	–	–
Less: Exercised	152,932	239.67	94,660	148.64
Less: Forfeited	–	–	–	–
Less: Lapsed	60,250	499.57	–	–
Option outstanding end of the year	45,385	572.75	258,567	358.48
Exercisable at the end of the year	–	–	130,699	182.38
The MOFSL (ESOP-VII) : (Face value of ₹ 1 each)				
Option outstanding at the beginning of the year	1,792,000	424.45	2,074,900	412.81
Add: Granted	–	–	–	–
Less: Exercised	726,100	360.97	282,900	340.26
Less: Lapsed	203,700	445.06	–	–
Option outstanding end of the year	862,200	472.56	1,792,000	424.45
Exercisable at the end of the year	235,895	435.26	303,050	389.35

Notes to Consolidated Financial Statement *(Contd..)*

Particulars	As at	Weighted	As at	Weighted
	31-Mar-20	Average	31-Mar-19	Average
	In Numbers	Exercise Price (In ₹)	In Numbers	Exercise Price (In ₹)
The MOFSL (ESOP-VIII) : (Face value of ₹ 1 each)				
Option outstanding at the beginning of the year	1,000,000	867.45	–	–
Add: Granted	1,055,000	610.96	1,000,000	867.45
Less: Exercised	–	–	–	–
Less: Lapsed	88,500	867.45	–	–
Option outstanding end of the year	1,966,500	729.85	1,000,000	867.45
Exercisable at the end of the year	91,150	867.45	–	–
The MOWML (ESOS-I) : (Face value of ₹ 1 each)				
Option outstanding at the beginning of the year	78,000	293.46	72,000	250.00
Add: Granted	–	NA	6,000	815.00
Less: Exercised	13,200	250.00	–	NA
Less: Forfeited	–	NA	–	NA
Less: Lapsed	42,800	250.00	–	NA
Option outstanding end of the year	22,000	404.09	78,000	293.46
Exercisable at the end of the year	6,000	438.33	13,200	250.00
The MOHFL (ESOS 2014) : (Face value of ₹ 1 each)				
Option outstanding at the beginning of the year	3,990,000	1.00	12,370,000	1.00
Add Granted	17,725,000	3.00	–	–
Less: Exercised	640,000	1.00	–	–
Less: Lapsed	3,930,000	1.66	8,380,000	1.00
Option outstanding end of the year	17,145,000	2.92	3,990,000	1.00
Exercisable at the end of the year	720,000	1.00	690,000	1.00
The MOHFL (ESOS 2016) : (Face value of ₹ 1 each)				
Option outstanding at the beginning of the year	42,800,000	2.39	38,750,000	1.60
Add: Granted	10,930,000	3.50	24,100,000	3.00
Less: Exercised	640,000	1.60	–	–
Less: Lapsed	35,375,000	2.53	20,050,000	1.60
Option outstanding end of the year	17,715,000	2.82	42,800,000	2.39
Exercisable at the end of the year	1,360,000	1.60	3,720,000	1.60
The MOHFL (ESOS 2017) - Grant I : (Face value of ₹ 1 each)				
Option outstanding at the beginning of the year	4,578,500	2.56	8,435,000	2.12
Add: Granted	–	–	–	–
Less: Exercised	80,500	1.60	–	–
Less: Lapsed	2,193,500	2.32	3,856,500	1.60
Option outstanding end of the year	2,304,500	2.83	4,578,500	2.56
Exercisable at the end of the year	158,000	3.39	–	–
The MOHFL (ESOS 2017) (Holding company): (Face value of ₹ 1 each)				
Option outstanding at the beginning of the year	21,413,500	1.60	29,390,000	–
Add: Granted	–	–	–	–
Less: Exercised	2,984,750	1.60	2,122,000	1.60
Less: Lapsed	2,834,250	1.60	5,854,500	1.60
Option outstanding end of the year	15,594,500	1.60	21,413,500	1.60
Exercisable at the end of the year	588,000	1.60	817,000	1.60

Notes to Consolidated Financial Statement (Contd..)

Employees' Stock Options Scheme (ESOP) :

Particulars	MOAMC Scheme I	MOAMC Scheme II	MOFSL Scheme V	MOFSL Scheme VI	MOFSL Scheme VII	MOFSL Scheme VIII	Scheme I (MOWM)
Date of Grant	Various dates	Various dates	Various Dates	Various Dates	Various Dates	Various Dates	Various dates
Date of Board Approval	Various dates	Various dates	Various Dates	Various Dates	Various Dates	Various Dates	22-April-2016
Date of Shareholder's approval	22-July-2010	21-July-2011	4 December 2007	8 July 2008	22 August 2014	27 July 2017	29-April-2016
Method of Settlement	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares	Equity Shares	Equity Shares
Vesting Period	Not later than 6 years from the date of grant	Not later than 6 years from the date of grant	1 year to 5 years	1 year to 5 years	1 year to 7 years	1 year to 4 years	Not later than 7 years from the date of grant
Weighted Average Remaining Contractual Life							
Current year -Granted but not Vested	3.58 Years	7.58 Years	3.67 years	4.23 years	3.79 years	5.10 years	5.81 Years
Current year -Vested but not exercised	1.89 Years	5.14 Years	2.21 years	NA	2.42 years	2.42 years	3.00 Years
Current year -Weighted Average Share Price at the date of exercise for stock options exercised during the year	₹ 28.87	₹ 27.98	₹ 658.53	₹ 643.86	₹ 659.86	NA	NA
Previous year -Granted but not Vested	7.23 Years	8.23 Years	3.83 years	4.58 years	3.97 years	5.42 years	3.43 Years
Previous year -Vested but not exercised	5 Years	5.84 Years	2.42 years	2.86 years	2.48 years	NA	NA
Previous year -Weighted Average Share Price at the date of exercise for stock options exercised during the year	NA	NA	₹ 789.48	₹ 805.83	₹ 735.01	NA	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				1 year to 3 years from the date of vesting and as per terms and conditions of scheme and grant
Vesting Conditions	Vesting of Options would be subject to continued employment with the Company and/or its holding/subsidiary, and thus the Options would vest on passage of time. In addition to this, the Remuneration/Compensation Committee may also specify certain performance parameters subject to which the options would vest. In case of performance based vesting, the options would vest on achievement of performance parameters irrespective of the time horizon. However no such performance based vesting is mentioned in the ESOP-1 Scheme in MOWML.						
Weighted Average Fair Value of options (granted but not vested) as on grant date	₹ 49.25 (Previous year ₹ 49.25)	₹ 8.42 (Previous year ₹ 8.42)	₹ 169.59 (Previous year ₹ 127.42)	₹ 300.39 (Previous year ₹ 215.25)	₹ 206.29 (Previous year ₹ 178.19)	₹ 251.57 (Previous year ₹ 321.06)	₹ 642.70 (Previous year ₹ 642.70)
Range of Risk free interest rate	6.97%	7.13%	6.05% - 7.8%	6.05% - 7.8%	6.97% - 7.8%	6.18% - 7.37%	7.37% - 7.72%
Dividend yield	1.00%	1.00%	1.00%	1.00%	1.00%	0.5% - 1.38%	1.00%
Expected volatility	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%

Notes to Consolidated Financial Statement *(Contd..)*

Particulars	MOHFL ESOS 2014	MOHFL ESOS 2016	MOHFL ESOS 2017	MOHFL ESOS 2017 H Co.
Date of Grant	Various dates	Various dates	Various dates	Various dates
Date of Board Approval	11-September-2014	29-April-2016	25-April-2017	25-April-2017
Date of Shareholder's approval	16-October-2014	07-July-2016	25-May-2017	25-May-2017
Method of Settlement	Equity shares	Equity shares	Equity shares	Equity shares
Vesting Period	1 year to 4 years	1 year to 4 years	1 year to 4 years	1 year to 5 years
Weighted Average Remaining Contractual Life				
Current year -Granted but not Vested	3.01 year	2.71 years	2.12 years	1.39 years
Current year -Vested but not exercised	0.15 year	0.27years	NIL	0.03 Years
Current year -Weighted Average Share Price at the date of exercise for stock options exercised during the year	3	3.5	3.5	3.5
Weighted Average Remaining Contractual Life				
Previous year -Granted but not Vested	1.11 year	2.91 years	2.78 years	2.17 years
Previous year -Vested but not exercised	NIL	0.26 year	NA	NA
Previous year -Weighted Average Share Price at the date of exercise for stock options exercised during the year	NA	NA	NA	3
Exercise Period	Within a period of 12 months from the date of vesting or in case of resignation, the options shall be exercised within 6 months from the date of resignation or such extended period as may be decided by the Nomination and Remuneration Committee.			
Vesting Conditions	Vesting of Options would be subject to continued employment with the Company and/or its holding/subsidiary, and thus the Options would vest on passage of time. In addition to this, the Remuneration/Compensation Committee may also specify certain performance parameters subject to which the options would vest. In case of performance based vesting, the options would vest on achievement of performance parameters irrespective of the time horizon.			
Weighted Average Fair Value of options (granted but not vested) as on grant date	₹ 0.49	₹ 0.79	₹ 0.72	₹ 0.70
Range of Risk free interest rate	7.37% - 8.40%	6.18% - 7.37%	6.79%	6.79%
Dividend yield	1.00%	1.00%	1.00%	1.00%
Expected volatility	40.00%	40.00%	40.00%	40.00%

** The vesting period of the Grant I & II of MOHFL ESOS 2014 and Grant I of ESOS 2016 has been extended from 6 months to 1 year pursuant to the resolution passed by the nomination and remuneration committee at its meeting held on 22 January 2018.

*Expected volatility has been calculated of listed holding company shares of Motilal Oswal Financial Services Limited long term average since listing.

The exercise pricing formula for MOAMC ESOP schemes are as under:

Scheme I

The Committee shall have the authority to determine the Exercise Price having regard to the valuation report of an independent practicing chartered accountant that may be based on such valuation method, as may be considered suitable by him, including but not restricted to the Net Asset Value Method, Discounted Cash Flow Method, Earnings Capitalisation Method, Dividend Yield Model, etc. and may also rely upon the future projections of the Company which would be prepared by the management from time to time having regard to the future potential and prospects of the Company.

The Committee shall in its absolute discretion, have the authority to grant the Options at such discount as it may deem fit.

Notes to Consolidated Financial Statement (Contd.)

Scheme II

The Committee shall have the authority to determine the Exercise Price having regard to the valuation report of an independent practicing chartered accountant that may be based on such valuation method, as may be considered suitable by him, including but not restricted to the Net Asset Value Method, Discounted Cash Flow Method, Earnings Capitalisation Method, Dividend Yield Model, etc. and may also rely upon the future projections of the Company which would be prepared by the management from time to time having regard to the future potential and prospects of the Company.

The Committee shall in its absolute discretion, have the authority to grant the Options at such discount as it may deem fit.

The exercise pricing formula for MOWML ESOP schemes are as under:

The Committee shall have the authority to determine the Exercise Price having regard to the valuation report of an independent practicing chartered accountant that may be based on such valuation method, as may be considered suitable by him, including but not restricted to the Net Asset Value Method, Discounted Cash Flow Method, Earnings Capitalisation Method, Dividend Yield Model, etc. and may also rely upon the future projections of the Company which would be prepared by the management from time to time having regard to the future potential and prospects of the Company.

The Committee shall in its absolute discretion, have the authority to grant the Options at such discount as it may deem fit.

The exercise pricing formula for MOFSL ESOP schemes are as under:

Scheme V

Exercise price shall be the closing price of the Company's equity shares quoted on the BSE immediately preceding the date of Grant of the Stock Options, which for this purpose shall be the date on which the Committee grant the Stock Options, discounted by such percentage as may be determined by the Committee in the best interest of the various stakeholders in the prevailing market conditions.

Scheme VI

Exercise price shall be the closing price of the Company's Equity Shares, prior to the date of grant of the Options, on the Stock Exchanges where the highest trading volume is recorded, discounted/increased by such percentage as may be determined by the Committee.

Scheme VII

Exercise price shall be the closing price of the Company's Equity Shares, prior to the date of grant of the Options, on the Stock Exchanges where the highest trading volume is recorded, discounted/increased by such percentage as may be determined by the Committee.

Scheme VIII

Exercise price shall be the closing price of the Company's Equity Shares, prior to the date of grant of the Options, on the Stock Exchanges where the highest trading volume is recorded, discounted/increased by such percentage as may be determined by the Committee.

The exercise pricing formula for MOHFL ESOS 2014, MOHFL ESOS 2016, MOHFL ESOS 2017 & MOHFL ESOS 2017 H Co are as under:

The nomination and remuneration committee shall have the authority to determine the exercise price having regard to the valuation report of an independent practicing chartered accountant that may be based on such valuation method, as may be considered suitable by him, including but not restricted to the Net Asset Value Method, Discounted Cash Flow Method, Earnings Capitalisation Method, Dividend Yield Model, etc. and may also rely upon the future projections of the Company which would be prepared by the management from time to time having regard to the future potential and prospects of the Company.

The said committee shall in its absolute discretion, have the authority to grant the options at such discount as it may deem fit.

Other Information regarding Employee Share Based Payment Plan is as below:

Particulars	2019-20 ₹ in Lakhs	2018-19 ₹ in Lakhs
Expense arising from employee share based payment plans	1,214	1,954
Total carrying amount at the end of the period	4,396	4,315

The Company provides a sensitivity analysis to show the impact to the Company's profit before taxation in the event that forfeiture and performance condition assumptions exceed or are below the Company's estimations by the stated percentages.

Impact on the income statement of a change in leaver assumptions	For the year ended 31-Mar-20 ₹ in Lakhs	For the year ended 31-Mar-19 ₹ in Lakhs
(+)5%	(77)	87
(-)5%	94	(126)

Notes to Consolidated Financial Statement (Contd.)

NOTE 54 : SEGMENT REPORTING

The Chief Operating Decision Maker monitors the operating results of the business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. The operating segments have been identified considering the nature of services, the differing risks and returns, the organization structure and the internal financial reporting system.

The business segment has been considered as the primary segment for disclosure. The primary business of the Group comprises of "Broking and other related activities", "Fund based activities", "Asset Management and Advisory", "Investment Banking services" and "Home Finance".

Broking and other related activities includes Broking services to clients, research and advisory services, financial product distribution, depository services, etc.

Fund based activities include investment activities (Investment in securities and property) and financing activity.

Asset Management and Advisory includes fee based services for management of assets.

Investment Banking represents results of raising financial capital by underwriting or acting as the client's agent in the issuance of securities.

Home Finance represents interest and other related income from affordable housing finance business.

Since the business operations of the Group are primarily concentrated in India, the Group is considered to operate only in the domestic segment.

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure of individual segments.

Income and direct expenses in relation to segments are categorized based on items that can be individually identifiable to that segment. Certain expenses such as taxes, etc. are not specifically allocable to specific segments.

Assets / Liabilities to the extent directly identifiable to a segment have been categorized separately; others have been shown as "unallocable" in the total column. Other balance sheet items such as deferred tax liability are similarly not allocated to segments.

₹ in Lakhs

Particulars	Broking and other related activities		Fund based activities		Asset management and advisory		Investment banking		Home finance		Unallocated		Elimination		Total	
	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Revenue:																
External Revenue	122,461	113,322	3,559	5,912	78,865	80,702	1,211	3,813	57,644	64,841	33	63	-	-	263,773	268,653
Inter-Segment Revenue													22,717	20,675	22,717	20,675
Total revenue	122,461	113,322	3,559	5,912	78,865	80,702	1,211	3,813	57,644	64,841	33	63	22,717	20,675	241,056	247,978
Result:																
Segment result (Inclusive of share of profit from associate and joint venture)	26,122	26,388	(29,063)	4,688	26,391	30,102	(1,019)	1,209	6,129	(20,945)	(3,029)	(1,848)	-	-	25,531	39,596
Less: Share of (profit)/loss from associate and joint venture included above															2,989	(1,805)
Profit before tax		-		-		-		-		-		-		-	28,520	37,790
Tax expense																
Current tax															(13,371)	(18,426)
Deferred tax															6,424	9,100

Notes to Consolidated Financial Statement (Contd.)

₹ in Lakhs

Particulars	Broking and other related activities		Fund based activities		Asset management and advisory		Investment banking		Home finance		Unallocated		Elimination		Total	
	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19	For the year ended 31-Mar-20	For the year ended 31-Mar-19
Short/(excess) provision for earlier years															(32)	61
Profit from ordinary activities															21,540	28,525
Less: Minority interest															(621)	(434)
Add : Share of profit/(loss) from associate and joint venture (net of taxes)															(2,582)	1,306
Net profit/(loss) attributable to Owners of parent															18,337	29,397
Other information:																
Segment assets	397,314	365,946	204,668	201,578	28,411	31,146	167	1,715	378,057	444,525	16,848	21,148	(14,406)	(17,882)	1,011,060	1,048,176
Segment liabilities	366,976	331,316	22,141	16,279	10,952	13,829	725	2,048	301,649	373,987	4,675	14,376	(8,347)	(13,083)	698,771	738,752

NOTE 55 : REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group determines revenue recognition through the following steps:

1. Identification of the contract, or contracts, with a customer.
2. Identification of the performance obligations in the contract.
3. Determination of the transaction price.
4. Allocation of the transaction price to the performance obligations in the contract.
5. Recognition of revenue when, or as, we satisfy a performance obligation.

a) Nature of services

- (i) **Broking and other related activities** - Income from services rendered as a broker is recognised upon rendering of the services, in accordance with the terms of contract. Income from services rendered on behalf of depository is recognised upon rendering of the services, in accordance with the terms of contract.
- (ii) **Interest income on loans and MTF** - Interest is earned from clients on amounts funded to them and delayed payments. Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable.
- (iii) **Portfolio management fee, Investment management fees and advisory** - The Group is an Investment Manager and provide, investment management and administrative services to the Schemes of Motilal Oswal Mutual Fund ('the Fund'), provides Portfolio Management Services ('PMS') to clients, investment management services to Alternate Investment Funds and provide investment advisory services to onshore and offshore clients. The Group earns Managements fees from respective businesses.

Notes to Consolidated Financial Statement *(Contd..)*

b) Disaggregation of revenue

Revenue from contracts with customers:

Particulars	31-Mar-20 ₹ in Lakhs	31-Mar-19 ₹ in Lakhs
(i) Broking and other related activities	83,835	74,514
(ii) Interest income on loans and MTF	76,754	81,783
(iii) Portfolio management fee, Investment management fees and advisory	71,087	77,026
	231,676	233,323

Revenue disaggregation by business segment has been included in segment information (Refer note 54).

c) Contract balances

Receivables. The outstanding balance as on 31 March 2020 : INR 74,697 lakhs, 31 March 2019: INR 151,809 lakhs. (also refer note 6)

Loans and advances. The outstanding balance as on 31 March 2020 : INR 364,312 lakhs, 31 March 2019: INR 435,747 lakhs. (also refer note 7)

Margin funding. The outstanding balance as on 31 March 2020 : INR 19,849 lakhs, 31 March 2019: INR 47,561 lakhs. (also refer note 7)

d) Performance obligations and timing of revenue recognition

(i) Broking and other related activities:-

Income from services rendered as a broker is recognised upon rendering of the services.

Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract.

Commissions from distribution of financial products are recognised upon allotment of the securities to the applicant or as the case may be, on issue of the insurance policy to the applicant.

Fees for subscription based services are received periodically but are recognised as earned on a pro-rata basis over the term of the contract, and are over the period in nature.

(ii) Interest income on loans and MTF:-

Interest income is recognised on a time proportion basis taking into account the amount outstanding from customers or on the financial instrument and the rate applicable.

Interest is earned on delayed payments from clients and amounts funded to them as well as term deposits with banks.

(iii) Portfolio management fee, Investment management fees and advisory:-

Performance obligation of fee from asset management and portfolio management services are completed as per the terms and conditions of the asset management agreement. The usual payment term for the performance obligation of the company is one to three month.

Income from advisory services is recognised upon rendering of the services.

Notes to Consolidated Financial Statement (Contd.)

NOTE 56 : MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

₹ in Lakhs

Particulars	As at 31-Mar-20			As at 31-Mar-19		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and cash equivalents	84,352	–	84,352	37,368	–	37,368
Bank balance other than cash and cash equivalents above	45,749	7,694	53,443	25,561	5,978	31,539
Receivables						
(I) Trade receivables	74,553	–	74,553	151,733	–	151,733
(II) Other receivables	145	–	145	76	–	76
Loans	56,773	351,173	407,947	92,975	394,869	487,844
Investments	117,886	190,965	308,850	70,691	197,900	268,591
Other financial assets	1,325	13,600	14,925	9,020	182	9,202
Non-financial assets						
Current tax assets (net)	–	4,043	4,043	–	1,823	1,823
Deferred tax assets (net)	–	12,428	12,428	–	14,290	14,290
Investment property	–	3,465	3,465	–	3,518	3,518
Property, plant and equipment	–	27,321	27,321	–	24,890	24,890
Intangible assets under development	–	–	–	–	11	11
Other intangible assets	–	2,548	2,548	–	1,802	1,802
Other non-financial assets	6,057	10,983	17,040	13,912	1,576	15,488
Total assets	386,840	624,220	1,011,060	401,336	646,839	1,048,175
Financial liabilities						
Derivative financial instruments						
Payables						
(I) Trade payables	179,798	–	179,798	139,062	–	139,062
(II) Other payables	–	–	–	–	–	–
Debt securities	147,219	135,107	282,326	97,616	160,544	258,160
Borrowings (Other than debt securities)	69,699	110,656	180,355	140,837	116,776	257,612
Deposits	–	12	12	5	–	5
Other financial liabilities	35,614	1,850	37,464	55,878	–	55,878
Non-financial Liabilities						
Current tax liabilities (net)	955	–	955	1,290	–	1,290
Provisions	12,103	435	12,538	10,396	1,545	11,941
Deferred tax liabilities (net)	–	2,699	2,699	–	12,148	12,148
Other non-financial liabilities	2,624	–	2,624	2,263	392	2,656
Total liabilities	448,012	250,759	698,771	447,348	291,405	738,753

Notes to Consolidated Financial Statement (Contd..)

NOTE 57 : FAIR VALUE MEASUREMENT

a) Financial instruments by category

₹ in Lakhs

Particulars	As at 31-Mar-20			As at 31-Mar-19		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Cash and cash equivalents	–	–	84,352	–	–	37,368
Bank balance other than cash and cash equivalents above	–	–	53,443	–	–	31,539
Receivables						
(I) Trade receivables	–	–	74,553	–	–	151,733
(II) Other receivables	–	–	145	–	–	76
Loans	–	–	407,947	–	–	487,844
Investments	279,046	29,799	5	238,872	29,714	5
Other financial assets	–	–	14,925	–	–	9,202
Total financial assets	279,046	29,799	635,370	238,872	29,714	717,767
Financial liabilities						
Payables						
(I) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	–	–	–	–	–	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	–	–	179,798	–	–	139,062
Debt securities	–	–	282,326	–	–	258,160
Borrowings (Other than debt securities)	–	–	180,355	–	–	257,612
Deposits	–	–	12	–	–	5
Other financial liabilities	–	–	37,464	–	–	55,878
Total financial liabilities	–	–	679,955	–	–	710,717

b) 1) Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the Indian Accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using unadjusted quoted prices. For example, listed equity instruments that have quoted market price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Notes to Consolidated Financial Statement (Contd.)

As at March 31, 2020

₹ in Lakhs

Assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVTPL				
– Mutual funds	194,475	–	–	194,475
– Quoted equity and preference shares	–	–	–	–
– Alternative Investment funds	–	5,987	–	5,987
– Private equity funds	–	–	29,553	29,553
– Real estate funds	–	–	23,343	23,343
– Unquoted equity and preference shares	–	–	3,197	3,197
– Unquoted Security receipts	–	–	22,494	22,494
Financial Investments at FVOCI				
– Quoted equity shares	29,799	–	–	29,799
Total financial assets	224,274	5,987	78,586	308,847

As at March 31, 2019

₹ in Lakhs

Assets and liabilities measured at fair value - recurring fair value measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Financial investments at FVTPL				
– Mutual funds	178,470	–	–	178,470
– Quoted equity and preference shares	–	–	–	–
– Alternative Investment funds	–	6,690	–	6,690
– Private equity funds	–	–	31,218	31,218
– Real estate funds	–	–	19,493	19,493
– Unquoted equity and preference shares	–	–	3,000	3,000
– Unquoted Security receipts	–	–	–	–
Financial Investments at FVOCI				
– Quoted equity shares	29,714	–	–	29,714
Total financial assets	208,184	6,690	53,711	268,585

II. Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include :

- Quoted equity investments - Quoted closing price on stock exchange
- Mutual fund - net asset value of the scheme
- Alternative investment funds - net asset value of the scheme
- Unquoted equity and preference investments - price multiples of comparable companies.
- Private equity funds - NAV of the audited financials of the funds.
- The fair values for investment in security receipt are based on the quoted market prices given by independent rating agency.
- Real estate funds - net asset value, based on the independent valuation report or financial statements of the company income approach or market approach based on the independent valuation report.

Notes to Consolidated Financial Statement (Contd..)

III. Fair value of financial instrument measured at amortised cost

Financial assets not measured at fair value includes cash and cash equivalents, trade receivables, loans and other financial assets. These are financial assets whose carrying amounts approximate fair value, due to their short-term nature.

Additionally, financial liabilities such as trade payables and other financial liabilities are not measured at FVTPL, whose carrying amounts approximate fair value, because of their short-term nature.

c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the periods ended 31 March 2020 and 31 March 2019:

Particulars	Private Equity Funds	Real Estate Funds	Security receipts	Unquoted Shares	Total
As at April 1, 2018	23,966	14,215	–	2,818	41,000
Additions	6,958	6,924	–	–	13,882
Disposals	(133)	(2,662)	–	–	(2,795)
Gains/(losses) recognised in statement of profit and loss	427	1,016	–	182	1,625
As at March 31, 2019	31,218	19,493	–	3,000	53,712
Additions	5,402	3,216	22,494	–	31,112
Disposals	–	(972)	–	–	(972)
Gains/(losses) recognised in statement of profit and loss	(7,067)	1,606	–	197	(5,265)
As at March 31, 2020	29,553	23,343	22,494	3,197	78,587

d) Transfers between levels 2 and 3

There are no transfers between Level 2 and Level 3 during the year

e) Valuation inputs and relationships to fair value

The quantitative information about the significant unobservable inputs used in level 3 fair value measurements is summarised below.

i) Sensitivity analysis

Particulars	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Fair value of instruments	78,586	53,711
Significant unobservable inputs		
Net worth of the fund at Fair value		
- increase by 1000 bps	7,859	5,371
- decrease by 1000 bps	(7,859)	(5,371)

NOTE 58 : FINANCIAL RISK MANAGEMENT

The Group is exposed primarily to fluctuations in credit, liquidity and price risk which may adversely impact the fair value of its financial instrument. The Group has a risk management policy which covers risk associated with the financial assets and liabilities. The focus of the risk management is to assess the unpredictability of the financial environment and to mitigate potential adverse effect on the financial performance of the Group.

The Group's principal financial liabilities comprises of trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include Investments, loans, receivables and cash and cash equivalents that derive directly from its operations.

A Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's loans and advances to customers. For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure.

Notes to Consolidated Financial Statement (Contd.)

Management of credit risk

The Board of Directors has delegated responsibility for the oversight of credit risk to the Risk Management Committee, which in turn has appointed the Interest Rate Reset Committee (IRRC) which is the Internal committee and the meeting of the said committee (IRRC) is conducted on a monthly basis, the objective of which is to determine the Retail prime lending rates (RPLR) based on Market Scenarios such as borrowing costs of the Group, repo rates by Reserve Bank of India (RBI), the Interest Rate Reset Committee recommends the Asset Liability Management Committee for the changes in the prevailing RPLR for their further approval.

The Risk Management Committee develops the credit risk management framework, policies, procedures, reviews the same on periodic basis which is further noted and approved by the Board of Directors. The Risk Management Committee also reviews delinquent accounts and makes decisions on recovery actions. Credit reviews are conducted regularly to monitor the health of the loan portfolio and to detect early signs of weaknesses and deviations.

The Risk Management Committee manages risk on a portfolio-wide basis and recommends alternative portfolio strategies, analyses results of portfolio management actions and develops portfolio limits for each portfolio segment for approval of the Board of Directors. Credit risk concentration is addressed by setting a credit portfolio mix limit and monitoring the limits on a regular basis. Credit stress tests are also conducted periodically to determine the impact of security values and other stress parameters on the loan portfolio. The Group also conducts annual valuation of delinquent accounts, to determine the actual value and marketability of the collateral which is adequately factored in Capital Adequacy Ratio. This allows the Group to assess the potential financial impact of losses arising from plausible adverse scenarios on the Group's loan portfolio.

Expected credit loss measurements

(I) Expected credit loss measurement for Loans :

Ind AS 109 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

1. A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage 1' and has its credit risk continuously monitored by the Group.
2. If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'Stage 2' but is not yet deemed to be credit-impaired.
3. If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage 3'.

Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.

The following diagram summarises the impairment requirements under Ind AS 109 (other than purchased or originated credit-impaired financial assets):

Change in credit quality since initial recognition

Stage 1	Stage 2	Stage 3
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

The key judgements and assumptions adopted by the Group in addressing the requirements of the standard are discussed below:

Significant increase in credit risk (SICR)

The Group considers a financial instrument to have experienced a significant increase in credit risk when one or more of the following quantitative, qualitative or backstop criteria have been met:

a. Quantitative criteria:

When days passed dues from the borrower is more than 30 days but less than 90 days*

b. Qualitative criteria:

If the borrower meets one or more of the following criteria:

- a. In short-term forbearance
- b. Direct debit cancellation
- c. Extension to the terms granted*
- d. Previous arrears within the last [12] months

Default and credit-impaired assets

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, when it meets one or more of the following criteria:

a. Quantitative criteria

The borrower is more than 90 days past due on its contractual payments.*

b. Qualitative criteria

The borrower meets unlikeliness to pay criteria, which indicates the borrower is in significant financial difficulty. These are instances where:

- a. The borrower is in long-term forbearance
- b. The borrower is deceased
- c. The borrower is insolvent
- d. Concessions have been made by the lender relating to the borrower's financial difficulty
- e. It is becoming probable that the borrower will enter bankruptcy

The criteria above have been applied to home finance loans consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) throughout the Group's expected loss calculations.

* In accordance with the RBI guidelines relating to COVID-19 Regulatory Package, the subsidiary company Motilal Oswal Home Finance Limited would be granting a moratorium of three months on payments of instalments and/or interest falling due between 1 March 2020 and 31 May 2020 to eligible borrowers. For such accounts where the moratorium is granted, the asset /Stage-wise classification shall remain stand still during the moratorium period. (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification).

Measuring ECL - Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss (ECL) is measured on either a 12-month basis (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.
- The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation, addressing both the client's ability to increase its exposure while approaching default and potential early repayments too.

To calculate the EAD for a Stage 1 loan, the Group assesses the possible default events within 12 months for the calculation of the 12mECL. For stage 2, Stage 3 Financial Assets, the exposure at default is considered for events over the lifetime of the instruments.

- Loss Given Default (LGD) represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default. LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each three bucket explained above and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival

Notes to Consolidated Financial Statement *(Contd..)*

(i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each three buckets, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The 12-month and lifetime EADs are determined based on the expected payment profile. Estimate of an exposure at a future default date – expected changes in exposure after the reporting date, including repayment of principal and interest, and expected drawdowns on committed facilities. This is based on the contractual repayments owed by the borrower over a 12 month or lifetime basis. This will also be adjusted for any expected overpayments made by a borrower. Early repayment/refinance assumptions are also incorporated into the calculation.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by collateral type.

- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed. the Group given its experience of sale of properties taken into possession we have experienced that there is 22.5 % loss incurred on the Outstanding amount (Principal + Interest). Hence the Group have taken 22.5% as LGD for computation of ECL on Stage 1 / 2 and 3 books.
- For unsecured products basically written off cases , LGD's has been maintained at 100% as loss given default as the Group don't foresee any cash flow on those assets.

Forward-looking economic variable/assumptions used are – such as how the maturity profile of the PDs and how collateral values change etc. – are monitored and reviewed on a quarterly basis. While estimating the expected credit losses, the Group reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Group analyses if there is any relationship between key economic trends like GDP, inflations rates set by International Monetary Fund, inflation etc. with the estimate of PD, LGD determined by the Group based on its internal data. While the internal estimates of PD, LGD rates by the Group may not be always reflective of such relationships, temporary overlays are embedded in the methodology to reflect such macro-economic trends reasonably.

Impact of RBI Circular on subsidiary company Motilal Oswal Home Finance Limited- COVID-19 – Regulatory Package

As per Ind AS 109 - Financial Instruments, the subsidiary company Motilal Oswal Home Finance Limited has rebut the presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are due for more than 30 days, for the customers who have availed moratorium relief through the RBI circular of COVID-19 - Regulatory Package. The default period criteria of 90 days for the cases who has been provided moratorium relief are accordingly freezed at the Days past due of those cases as at 1 March 2020.

In its ECL models, the subsidiary company Motilal Oswal Home Finance Limited also relies on a broad range of forward looking information. In case of PD which represents the likelihood of a borrower defaulting on its financial obligation (as per “Definition of default and credit-impaired” above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation, has created a blended PD based on the past historical movement of the customers and an accelerated PD on the customers which has availed the moratorium benefit and expected to avail the benefit in next 2 months. Accordingly it has computed the 12M PD and Lifetime PD.

The subsidiary company Motilal Oswal Home Finance Limited is of the opinion that it is pre-mature to predict the COVID impact on the valuation of collaterals and hence have not changed the computation of LGD and kept the same as mentioned earlier.

Loss allowance

The loss allowance recognised in the period is impacted by a variety of factors, as described below:

- a. Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) of credit risk or becoming credit-impaired in the period, and the consequent “step up” between 12-month and Lifetime ECL;
- b. Additional allowances for financial instruments de-recognised in the period;
- c. Impact on the measurement of ECL due to changes in PDs, EADs and LGDs in the period, arising from regular refreshing of inputs to models;

Notes to Consolidated Financial Statement *(Contd..)*

- d. Financial assets derecognised during the period and write-offs of allowances related to assets that were written off during the period. The write-off of loans with a total gross carrying amount of INR 42,116 Lakhs resulted in the reduction of the Stage 3 loss allowance by the same amount.

Write-off policy

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) ceasing enforcement activity and (ii) where the Group's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Group may write-off financial assets that are still subject to enforcement activity. The Group still seeks to recover amounts it is legally receivable in full, but which have been full / partially written off due to no reasonable expectation of full recovery.

Modification of financial assets

The Group sometimes modifies the terms of home loans provided to customers due to commercial renegotiations, or for distressed loans, with a view to maximising recovery.

Such restructuring activities include extended payment term arrangements, payment holidays and payment forgiveness. Restructuring policies and practices are based on indicators or criteria which, in the judgement of management, indicate that payment will most likely continue. These policies are kept under continuous review.

The risk of default of such assets after modification is assessed at the reporting date and compared with the risk under the original terms at initial recognition, when the modification is not substantial and so does not result in derecognition of the original asset. The Group monitors the subsequent performance of modified assets. The Group may determine that the credit risk has significantly improved after restructuring, so that the assets are moved from Stage 3 or Stage 2 (Lifetime ECL) to Stage 1 (12-month ECL). This is only the case for assets which have performed in accordance with the new terms for a year or more. Currently there hasnt been any case.

(II) Expected credit loss measurement for Trade receivables and MTF loans:

The Group applies the Ind AS 109 simplified approach to measuring expected credit losses (ECLs) for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables as well as on margin trade funding (MTF) loans are calculated based on actual historic credit loss experience over the preceding three to five years on the total balance of non-credit impaired trade receivables.

For the purpose of computation of ECL, the term default implies an event where amount due towards margin requirement and / or mark to market losses for which the client was unable to provide funds / collaterals to bridge the shortfall, the same is termed as margin call triggered. When a trade receivable or MTF loans is credit impaired, it is written off against respective financial assets and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited to the income statement.

The movement in expected credit loss- refer note 7 (Loans)

For determination of ECL on MTF loans, a staged approach is followed as below :

Stage 1 : All positions in the MTF loan book are considered as stage 1 asset for computation of expected credit loss. For exposures where there has not been a significant increase in credit risk since initial recognition and that is not credit impaired upon origination. Margin trading funding's, Loans to subsidiaries and loans to staff are considered in stage 1 for determination of ECL. Exposure to credit risk in stage 1 is computed considering historical probability of default, market movements and macro-economic environment.

Stage 2 : Exposures under stage 2 include dues up to 90 days pertaining to principal amount, interest and any other charges on the MTF loan book which are unsecured. While arriving at the secured position of the client, management would also consider balance in client's family accounts, securities in other segment and collaterals in form other than the securities while considering the secured position of the client. At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition. In determining whether credit risk has increased significantly since initial recognition, the Company uses days past due information and other qualitative factors to assess deterioration in credit quality of a financial asset.

For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised.

Notes to Consolidated Financial Statement (Contd.)

Stage 3 : Exposures under stage 3 include dues past 90 days pertaining to principal amount, interest and any other charges on MTF loan book which are unsecured.

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised.

B Liquidity risk and funding management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Analysis of financial assets and liabilities by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities.

As at 31 March 2020

₹ in Lakhs				
Contractual maturities of assets and liabilities	Less than 1 year	1 to 5 years	above 5 Years	Total
Financial assets				
Cash and cash equivalents	84,352	–		84,352
Bank balance other than cash and cash equivalents above	45,749	7,694		53,443
Receivables				
(I) Trade receivables	74,553	–		74,553
(II) Other receivables	145	–		145
Loans	56,773	55,237	295,936	407,947
Investments	117,886	190,965		308,850
Other financial assets	1,325	13,600		14,925
Total financial assets	380,783	267,496	295,936	944,215
Financial liabilities				
Payables				
(I) Trade payables	179,798	–		179,798
Debt securities	147,219	130,107	5,000	282,326
Borrowings (Other than debt securities)	69,699	102,436	8,220	180,355
Deposits	–	12		12
Other financial liabilities	35,614	1,850		37,464
Total financial liabilities	432,330	234,405	13,220	679,955

As at 31 March 2019

₹ in Lakhs				
Contractual maturities of assets and liabilities	Less than 1 year	1 to 5 years	above 5 Years	Total
Financial assets				
Cash and cash equivalents	37,368	–	–	37,368
Bank balance other than cash and cash equivalents above	25,561	5,978	–	31,539
Receivables				
(I) Trade receivables	151,733	–	–	151,733
(II) Other receivables	76	–	–	76
Loans	92,975	72,989	321,880	487,844
Investments	70,691	197,900	–	268,591
Other financial assets	9,020	182	–	9,202
Total financial assets	387,424	277,049	321,880	986,353

Notes to Consolidated Financial Statement (Contd.)

₹ in Lakhs

Contractual maturities of assets and liabilities	Less than 1 year	1 to 5 years	above 5 Years	Total
Financial liabilities				
Payables				
(l) Trade payables	139,062	–	–	139,062
Debt securities	97,616	153,074	7,470	258,160
Borrowings (Other than debt securities)	140,837	99,763	17,013	257,612
Deposits	5			5
Other financial liabilities	55,878	–	–	55,878
Total financial liabilities	433,398	252,837	24,483	710,717

C Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, interest rate risk and price risk.

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Foreign currency risk management

In respect of the foreign currency transactions, the Group does not hedge the exposures since the management believes that the same is insignificant in nature and will not have a material impact on the Group.

(ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings/ debt securities and loans with variable rates, which expose the Group to cash flow interest rate risk. The Group is exposed to interest rate risk as it is involved in lending business. Interest rate risk can arise from either macro events in economy or due to company's financial position. Group tries to mitigate this risk by taking all positive measures which can boost profitability and strengthens company's balance sheet. Group takes continuous efforts to reduce its cost of funds by diversifying its liability mix and deepening its relationship with lenders.

The Group's fixed rate borrowings are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Interest rate risk exposure

Out of the total Assets and Liabilities, exposure to the interest rate risk of the Group is mainly towards borrowings/ debt securities and loan assets.

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being constant) of the Group's statement of profit and loss and equity.

Particulars	Impact on profit after tax	
	As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
Loans		
Interest rates – increase by 100 basis points	2,427	3,048
Interest rates – decrease by 100 basis points	2,427	3,048
Borrowings		
Interest rates – increase by 100 basis points	1,415	978
Interest rates – decrease by 100 basis points	1,415	978

Notes to Consolidated Financial Statement (Contd.)

Exposure of price risk

The company is exposed to price risk from its investment in mutual funds, equity shares, exchange traded funds classified in the balance sheet at fair value through profit and loss or fair value through other comprehensive income.

The Investments held by the Company are ancillary to the Investment management business objective.

The investment in long term mutual fund is for high-RoE opportunities. They also serve as highly liquid "resources" available for future investments in business, if required.

Particulars	31-Mar-20 ₹ in Lakhs	31-Mar-19 ₹ in Lakhs
Exposure to price risk	175,066	197,894

Sensitivity to price risk

The following table summarises the impact of sensitivity of NAVs / price with all other variables held constant. The below impact on the Company's profit before tax is based on changes in the NAVs / price of the investments held at FVTPL/FVOCI at balance sheet date:

Sensitivity	31-Mar-20 ₹ in Lakhs	31-Mar-19 ₹ in Lakhs
Impact on profit before tax for 10% increase in NAV/price	17,507	19,789
Impact on profit before tax for 10% decrease in NAV/price	(17,507)	(19,789)

NOTE 59 : CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as going concern while maximizing the return to stakeholder through the optimization of the debt and equity balance.

For the purpose of the Group's capital management, capital includes issued capital and other equity reserves. The primary objective of the Group's capital management is to maximize shareholders value. The Group manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The capital composition is as follows:

Particulars	31-Mar-20 ₹ in Lakhs	31-Mar-19 ₹ in Lakhs
Gross debt*	462,682	515,772
Less: Cash and bank balances	137,795	68,907
Net debt (A)	324,887	446,865
Total equity (B)	312,288	309,423
Gearing ratio (A / B)	104.03%	144.42%

*Debt includes debt securities as well as borrowings.

NOTE 60 : PRINCIPLES AND ASSUMPTIONS USED FOR CONSOLIDATED FINANCIAL STATEMENTS AND PROFORMA ADJUSTMENTS:

- a) The Consolidated Financial Statements have been prepared by applying the principles laid in the Indian Accounting Standard (Ind AS) - 110 "Consolidated Financial Statements" and (Ind AS) - 28 "Investments in Associates and Joint Ventures" issued by the Institute of Chartered Accountants of India for the purposes of these Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and Summary of significant accounting policies and other explanatory information to the consolidated financial statements, together referred to in as 'Consolidated Financial Statements'.

Notes to Consolidated Financial Statement (Contd.)

The list of subsidiaries and associates in the consolidated financial statement are as under :-

Motilal Oswal Financial Services Limited ('the Company' or 'the holding company') shareholding in the following companies as on 31 March, 2020 and 31 March, 2019 is as under:

Name of the Entities	Country of incorporation	Proportion of ownership interest	
		As at 31-Mar-20 ₹ in Lakhs	As at 31-Mar-19 ₹ in Lakhs
I) Name of the Subsidiary Companies			
a) Direct Subsidiaries			
Motilal Oswal Commodities Broker Private Limited	India	100	100
MOPE Investment Advisors Private Limited	India	87.16	85
Motilal Oswal Investment Advisors Limited (Formerly known as Motilal Oswal Investment Advisors Private Limited)	India	100	100
Motilal Oswal Fincap Private Limited (Formerly known as Motilal Oswal Insurance Brokers Pvt Ltd)	India	100	100
Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Ltd)	India	100	100
Motilal Oswal Wealth Management Limited	India	100	100
Motilal Oswal Asset Management Company Limited	India	98.64	97.62
Motilal Oswal Trustee Company Limited	India	100	100
Motilal Oswal Securities International Private Limited	India	100	100
Motilal Oswal Capital Markets (Singapore) Pte. Limited.	Singapore	100	100
Motilal Oswal Capital Markets (Hong Kong) Private Limited	Hong Kong	100	100
Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Ltd)	India	97.94	98.01
Motilal Oswal Finsec IFSC Limited	India	100	0
Glide Tech Investment Advisory Private Limited	India	100	0
b) Step down Subsidiaries			
Motilal Oswal Real Estate Investment Advisors Private Limited	India	87.16	85.00
Motilal Oswal Real Estate Investment Advisors II Private Limited	India	78.44	76.50
India Business Excellence Management Company	Mauritius	87.16	85.00
Motilal Oswal Asset Management (Mauritius) Limited	Mauritius	98.64	97.62
Motilal Oswal Capital Limited	India	98.64	97.62
II) Associate Enterprise			
India Reality Excellence Fund II LLP	India	20.44	20.44
III) Joint venture			
India Business Excellence Fund III	India	12.97	13.49

Notes to Consolidated Financial Statement (Contd.)

NOTE 61 :

Additional Disclosure pertaining to Subsidiaries/Associate as per division III of Companies Act, 2013

Name of the entity	Net Assets (i.e. Total Assets - Total Liabilities)		Share in Profit & (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated Net Assets	Amount ₹ in Lakhs	As % of Consolidated Profit / (Loss)	Amount ₹ in Lakhs	As % of Consolidated OCI	Amount ₹ in Lakhs	As % of Total Consolidated Income	Amount ₹ in Lakhs
Parent								
Motilal Oswal Financial Services Limited	89.56%	276,414	107.32%	19,679	65.73%	(3,932)	127.46%	15,746
Subsidiaries								
Indian								
Motilal Oswal Commodities Broker Private Limited	0.29%	891	-0.02%	(4)	0.00%	–	-0.03%	(4)
Motilal Oswal Investment Advisors Limited (Formerly known as Motilal Oswal Investment Advisors Private Limited)	3.25%	10,046	-6.45%	(1,183)	0.03%	(2)	-9.59%	(1,185)
MOPE Investment Advisors Private Limited	1.97%	6,073	10.86%	1,991	0.14%	(8)	16.05%	1,983
Motilal Oswal Finvest Limited (Formerly known as Motilal Oswal Capital Markets Ltd)	17.06%	52,638	-5.70%	(1,045)	35.91%	(2,148)	-25.85%	(3,193)
Motilal Oswal Wealth Management Limited	2.57%	7,921	1.42%	260	-0.46%	27	2.33%	287
Motilal Oswal Fincap Private Limited (Formerly known as Motilal Oswal Insurance Brokers Pvt Ltd)	0.06%	183	0.35%	64	0.00%	–	0.52%	64
Motilal Oswal Asset Management Company Limited	11.17%	34,489	55.14%	10,111	-0.18%	11	81.93%	10,122
Motilal Oswal Trustee Company Limited	0.01%	31	-0.02%	(4)	0.00%	–	-0.03%	(4)
Motilal Oswal Securities International Private Limited	0.15%	461	0.00%	0	0.01%	(1)	0.00%	(0)
Motilal Oswal Real Estate Investment Advisors Private Limited	0.00%	10	-0.02%	(3)	0.00%	–	-0.02%	(3)
Motilal Oswal Real Estate Investment Advisors II Private Limited	0.78%	2,409	6.26%	1,147	0.13%	(8)	9.22%	1,140
Motilal Oswal Home Finance Limited (formerly known as Aspire Home Finance Corporation Limited)	28.10%	86,738	21.31%	3,908	-1.23%	73	32.23%	3,981
Motilal Oswal Capital Limited	0.26%	807	0.13%	24	0.00%	–	0.19%	24
Glide Tech Investment Advisory Private Limited	0.01%	39	-0.34%	(62)	-0.03%	2	-0.49%	(61)
Motilal Oswal Finsec IFSC Limited	0.00%	–	0.04%	8	0.00%	–	0.07%	8
Foreign								
Motilal Oswal Capital Markets (Honkong) Private Limited	0.05%	145	-0.06%	(11)	0.00%	–	-0.09%	(11)
Motilal Oswal Capital Markets (Singapore) Pte. Limited	0.43%	1,331	0.24%	43	0.00%	–	0.35%	43

Notes to Consolidated Financial Statement (Contd..)

Name of the entity	Net Assets (i.e. Total Assets - Total Liabilities)		Share in Profit & (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of Consolidated Net Assets	Amount ₹ in Lakhs	As % of Consolidated Profit / (Loss)	Amount ₹ in Lakhs	As % of Consolidated OCI	Amount ₹ in Lakhs	As % of Total Consolidated Income	Amount ₹ in Lakhs
India Business Excellence Management Company	0.32%	973	3.27%	600	0.00%	–	4.86%	600
Motilal Oswal Asset Management (Mauritius) Pvt. Ltd.	0.09%	290	-0.05%	(9)	0.00%	–	-0.07%	(9)
Total	156.13%	481,889	193.68%	35,514	100.05%	(5,986)	239.04%	29,528
Associates & Joint Venture								
Indian								
India Reality Excellence Fund II LLP	1.43%	4,407	1.46%	267	0.00%	–	2.17%	267
India Business Excellence Fund III	5.01%	15,461	12.62%	2,315	0.00%	–	18.74%	2,315
Total	6.44%	19,868	14.08%	2,582	0.00%	–	20.90%	2,582
Eliminations Adjusted	-61.39%	(189,469)	-104.37%	(19,138)	0.00%	–	-154.92%	(19,138)
Net Total	101.18%	312,288	103.39%	18,958	100.06%	(5,986)	105.02%	12,972
Minority Interest in all Subsidiaries	-1.18%	(3,658)	-3.39%	(621)	-0.06%	3	-4.99%	(618)
Grand Total	100.00%	308,630	100.00%	18,337	100.00%	(5,982)	100.00%	12,354

NOTE 62 : NEGATIVE PRICE SETTLEMENT OF FUTURES APRIL WEST TEXAS INTERMEDIATE(WTI) CONTRACT

On 20 April 2020 due to the significant fall in global crude oil prices, Futures April West Texas Intermediate(WTI) Contract traded on Multi Commodity Exchange ('MCX') was settled in negative prices as per MCX circular dated April 21,2020. The customers who entered on the buy side of the contract had to settle for negative price on expiry. While entering the contract for taking exposure on the contract value, the customers were required to pay only the margin as required by the exchange including mark to market losses. In relation to such contracts, the Company has net receivables from the clients aggregating ₹ 8,931 lakhs. A writ petition has been filed in the Honourable High Court of Bombay, against negative price settlement of Crude Oil on 21 April 2020. Also MOFSL has filed an petition u/s 9 of Arbitration Act, 1996 against one of the major client for securing recovery of an amount of ₹ 8,074 Lakhs . Since the condition, i.e., fall in Crude Oil price occurred subsequent to the balance sheet date, the same has been considered as a non-adjusting event in the financial statements, in accordance with the requirements of Indian Accounting Standard - 10, Events after the reporting period.

NOTE 63 :

Amounts below 0.50 lakhs are rounded off and shown as "0".

As per our attached Report of even Date

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

Sudhir N. Pillai
Partner
Membership Number: 105782

Place : Mumbai
Date : 11th May 2020

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

Motilal Oswal
Managing Director and Chief Executive Officer
DIN : 00024503

Shalibhadra Shah
Chief Financial Officer

Place : Mumbai
Date : 11th May 2020

Raamdeo Agarawal
Non-Executive Chairman
DIN : 00024533

Kailash Purohit
Company Secretary

Financial Highlights of Subsidiary

FINANCIAL HIGHLIGHTS OF SUBSIDIARY FOR YEAR ENDED 31 MARCH 2020

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

₹ in Lakhs

1	Sl. No.	1	2	3	4	5	6
2	Name of the subsidiary	Motilal Oswal Investment Advisors Limited	MOPE Investment Advisors Private Limited (MOPE)	Motilal Oswal Commodities Broker Private Limited (MOCBPL)	Motilal Oswal Fincap Private Limited (MOFPL)	Motilal Oswal Finvest Limited (MOFL)	Motilal Oswal Asset Management Company Limited (MOAMC)
3	The date since when subsidiary was acquired	16-06-06	18-05-06	06-04-06	04-09-09	18-12-07	14-11-08
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	The reporting period of all the subsidiaries is similar as of holding company					
5	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	NA	NA	NA	NA	NA
6	Share capital	100	6	41	300	4,936	6,774
7	Reserves & surplus	9,946	6,067	850	(117)	47,702	27,715
8	Total assets	10,797	8,095	26,437	188	77,633	42,472
9	Total Liabilities	751	2,022	25,546	6	24,995	7,983
10	Investments	9,746	2,592	-	-	49,552	26,671
11	Turnover	1,211	7,264	15	79	4,586	55,128
12	Profit before taxation	(1,375)	2,748	(5)	64	(1,066)	13,692
13	Provision for taxation	(191)	757	(1)	0	(21)	3,581
14	Profit after taxation	(1,183)	1,991	(4)	64	(1,045)	10,111
15	Other Comprehensive Income	(2)	(8)	-	-	(2,149)	11
16	Total Comprehensive Income	(1,185)	1,983	(4)	64	(3,193)	10,122
17	Proposed dividend	-	-	-	-	-	-
18	% of shareholding	100	87.16	100	100	100	98.64

Financial Highlights of Subsidiary (Contd.)

₹ in Lakhs

1	Sl. No.	7	8	9	10	11	12
2	Name of the subsidiary	Motilal Oswal Trustee Company Limited (MOTC)	Motilal Oswal Capital Limited (MOCL)	Glide Tech Investment Advisory Private Limited (GTIAPL)	Motilal Oswal Wealth Management Limited (MOWML)	Motilal Oswal Securities International Private Limited (MOSIPL)	Motilal Oswal Capital Markets (HK) Private Limited (MOCMPL(HK))
3	The date since when subsidiary was acquired	14-11-08	19-09-16***	25-11-19	29-09-08	27-06-11	30-09-11
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	The reporting period of all the subsidiaries is similar as of holding company					
5	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA	NA	NA	NA	NA	1 HKD = ₹ 9.649
6	Share capital	10	800	100	8	457	412
7	Reserves & surplus	21	7	(61)	7,913	4	(267)
8	Total assets	31	813	61	9,801	501	156
9	Total Liabilities	1	7	22	1,879	40	11
10	Investments	27	201	-	7,006		-
11	Turnover	15	128	-	10,037	147	87
12	Profit before taxation	(3)	35	(77)	437	19	(11)
13	Provision for taxation	1	11	(14)	177	19	-
14	Profit after taxation	(4)	24	(62)	260	0	(11)
15	Other Comprehensive Income	-	-	2	27	(1)	-
16	Total Comprehensive Income	(4)	24	(61)	287	(0)	(11)
17	Proposed dividend	-	-	-	-	-	-
18	% of shareholding	100	98.64	100	100	100	100

Financial Highlights of Subsidiary (Contd.)

₹ in Lakhs

1	Sl. No.	13	14	15	16	17	18	19
2	Name of the subsidiary	Motilal Oswal Capital Markets (Singapore) Pte. Limited	Motilal Oswal Home Finance Limited (formerly known as 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)	Motilal Oswal Finsec IFSC Limited (MOFIL)
3	The date since when subsidiary was acquired	30-09-11	01-10-13	13-09-13*	07-03-14**	08-01-15***	21-03-14*	07-05-18
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	The reporting period of all the subsidiaries is similar as of holding company						
5	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	1 SGD = ₹ 52.539	NA	NA	NA	1 USD = ₹ 74.8109	1 USD = ₹ 74.8109	NA
6	Share capital	1,041	60,130	100	1	479	18	240
7	Reserves & surplus	290	26,608	(90)	2,408	(189)	955	8
8	Total assets	1,457	388,739	11	3,918	349	980	248
9	Total liabilities	127	302,001	0	1,509	59	7	0
10	Investments	-	-	9	0	0	1	-
11	Turnover	311	57,644	0	4,413	251	1,545	11
12	Profit before taxation	45	6,092	(3)	1,621	(9)	618	8
13	Provision for taxation	2	2,184	0	474	-	18	-
14	Profit after taxation	43	3,908	(3)	1,147	(9)	600	8
15	Other Comprehensive Income	-	73	-	(8)	-	-	-
16	Total Comprehensive Income	43	3,981	(3)	1,140	(9)	600	8
17	Proposed dividend	-	-	-	-	-	-	-
18	% of shareholding	100	97.94	87.16	78.44	98.64	87.16	100

* through MOPE; ** through MORE; *** through MOAMC

Notes:-

- Two subsidiaries of the company Glide Tech Investment Advisory Private Limited and Motilal Oswal Finsec IFSC Limited yet to commence the operation.
- There are no subsidiaries which were liquidated or sold off during the year under review.
- Share application money is not included in total liability as well as share capital.
- Turnover includes other income.
- Percentage of shareholding is Effective Shareholding.

Financial Highlights of Subsidiary (Contd..)

Part "B": Associates and Joint Ventures *

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to associate companies and joint ventures

Name of Associates/Joint Ventures	Latest audited Balance Sheet Date	Shares of Associate/Joint Ventures held by the company on the year end		Description of how there is significant influence	Reason why the associate/joint venture is not consolidated	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	
		No.	Amount of Investment in Associates/Joint Venture				i. Considered in Consolidation	i. Not Considered in Consolidation
NOT APPLICABLE								

* Disclosure is given only in case of associate company and not in case of other enterprises. The Group consolidates IREF II LLP as an associates following equity accounting.



MOTILAL OSWAL FINANCIAL SERVICES LTD.

Motilal Oswal Tower, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai-400025

www.motilaloswalgroup.com



MOTILAL OSWAL FINANCIAL SERVICES LIMITED

CIN: L67190MH2005PLC153397

Registered Office: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025, Maharashtra, India

E-mail: shareholders@motilaloswal.com | Website: www.motilaloswalgroup.com

Tel: +91 22 7193 4200 / +91 22 7193 4263 | Fax: +91 22 5036 2365

NOTICE OF THE FIFTEENTH ANNUAL GENERAL MEETING

Notice is hereby given that the Fifteenth Annual General Meeting (“AGM”) of the Members of Motilal Oswal Financial Services Limited (“the Company”) will be held on Thursday, July 30, 2020 at IST 4.00 p.m. through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”) to transact the following businesses. The venue of the meeting shall deemed to be the Registered Office of the Company at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai - 400 025.

ORDINARY BUSINESSES:

1. To consider and adopt the Audited Standalone Financial Statement of the Company together with the Report of the Board of Directors and the Auditors thereon for the financial year ended March 31, 2020.
2. To consider and adopt the Audited Consolidated Financial Statement of the Company together with the Report of the Auditors thereon for the financial year ended March 31, 2020.
3. To confirm the interim dividend paid @ ₹ 4.00/- per Equity Share to its equity shareholders for the financial year ended March 31, 2020.
4. To appoint a Director in place of Mr. Navin Agarwal (DIN: 00024561), who retires by rotation, and being eligible, offers himself for re-appointment.

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

RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Navin Agarwal (DIN: 00024561), who retires by rotation, be and is hereby re-appointed as a director liable to retire by rotation.

SPECIAL BUSINESSES:

ITEM NO. 5

Appointment of Mr. Chitradurga Narasimha Murthy (C. N. Murthy) (DIN: 00057222) as an Independent Director of the Company

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

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152, 160, 161 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of the Articles of Association of the Company and pursuant to the recommendation made by the Nomination and Remuneration Committee and approval of the Board, Mr. Chitradurga Narasimha Murthy (C. N. Murthy) (DIN: 00057222), being appointed as an Additional Independent Director of the Company with effect from July 1, 2020 and who holds office up to the date of this Annual General Meeting of the Company, be and is hereby appointed as an Independent Director of the Company for a term of 3 years i.e. from July 1, 2020 to June 30, 2023.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board (including any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in this regard.”

ITEM NO. 6

Appointment of Mr. Pankaj Bhansali (DIN: 03154793) as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152, 160, 161 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of the Articles of Association of the Company and pursuant to the recommendation made by the Nomination and Remuneration Committee and approval of the Board, Mr. Pankaj Bhansali (DIN: 03154793)), being appointed as an Additional Independent Director of the Company with effect from July 1, 2020 and who holds office up to the date of this Annual General Meeting of the Company, be and is hereby appointed as an Independent Director of the Company for a term of 3 years i.e. from July 1, 2020 to June 30, 2023.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board (including any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in this regard.”

ITEM NO. 7

Appointment of Mrs. Divya Momaya (DIN: 00365757) as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Section 149, 152, 160, 161 and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of the Articles of Association of the Company and pursuant to the recommendation made by the Nomination and Remuneration Committee and approval of the Board, Mrs. Divya Momaya (DIN: 00365757), being appointed as an Additional Independent Director of the Company with effect from July 1, 2020 and who holds office up to the date of this Annual General Meeting of the Company, be and is hereby appointed as an Independent Director of the Company for a term of 3 years i.e. from July 1, 2020 to June 30, 2023.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board (including any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in this regard.”

ITEM NO. 8

Approval to Material Wholly Owned Subsidiary, Motilal Oswal Finvest Limited, for Selling, Leasing and Disposing of its Assets in excess of twenty percent of its total assets, respectively in any financial year

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

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

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

Notice (Contd..)

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board (including any Committee thereof) be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable, including without limitation to settle any question, difficulty or doubt that may arise in this regard.”

**By Order of the Board
Motilal Oswal Financial Services Limited**

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

Date: June 30, 2020
Place: Mumbai

Notes:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) vide its circular dated May 05, 2020 read with circulars dated April 08, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide circular dated May 12, 2020 (“SEBI Circular”) permitted the holding of the Annual General Meeting (“the AGM”) through Video Conferencing (VC)/Other Audio Visual Means (OAVM), without the physical presence of the Members (also referred as “Shareholders”) at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), MCA Circulars and SEBI Circular (amended from time to time), the AGM of the Company is being held through VC/OAVM and Members can attend and participate in the ensuing AGM through VC/OAVM.

For this purpose, necessary arrangements have been made by the Company with **Central Depository Services (India) Limited (“CDSL”)** and instructions for the process to be followed for attending and participating in the ensuing AGM through VC/OAVM is forming part of this Notice.

2. The Statement as required under Section 102 of the Act relating to the Special Businesses to be transacted at the AGM is annexed hereto. Further, the explanatory statement relating to Ordinary Business in item no. 4 to be transacted at the AGM is also annexed hereto.
3. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of the Listing Regulations and MCA Circulars, the Company is providing facility of Remote e-voting (E-voting from a place other than venue of the Meeting) and E-voting during AGM, to its Members in respect of the businesses to be transacted at the AGM.

For this purpose, necessary arrangements have been made by the Company with **CDSL** to facilitate Remote e-voting and E-voting during AGM. The instructions for the process to be followed for Remote e-voting and E-voting during AGM is forming part of this Notice.

4. Pursuant to Section 105 of the Act and Rule 19 of the Companies (Management and Administration) Rules, 2014 (as amended from time to time), a member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote, instead of himself/herself and the proxy need not be a Member of the Company. However, pursuant to MCA Circulars and SEBI Circular, since the AGM will be held through VC/OAVM, the physical attendance of Members in any case has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form is not annexed to this Notice.
5. Pursuant to Section 113 of the Act, representatives of Corporate Members may be appointed for the purpose of voting through Remote e-voting or for participation and voting in the AGM to be conducted through VC/OAVM. Corporate Members intending to attend the AGM through their authorised representatives are requested to send a Certified True Copy of the Board Resolution and Power of Attorney, (PDF/JPG Format), authorizing its representative to attend and vote on their behalf at the AGM. The said Resolution/Authorisation shall be sent to the Company by e-mail through its registered e-mail address at shareholders@motilaloswal.com with a copy marked to helpdesk.evoting@cdslindia.com.
6. In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report for FY 2019-20 is being sent only through electronic mode to those Members whose name appear in the Register of Members/Beneficial Owners maintained by the Depositories as on benpos date i.e. Friday, June 26, 2020 and whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report for FY 2019-20 will also be available on website of the Company, i.e. www.motilaloswalgroup.com, website of the Stock Exchanges i.e. BSE Limited and National

Notice (Contd.)

Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of the CDSL at www.evotingindia.com.

7. Process for registration of e-mail ID for obtaining Annual Report in electronic mode and User ID/password for E-voting is annexed to this Notice.
8. The Relevant documents referred to in the accompanying Notice and the Explanatory Statement, Registers and all other documents will be available for inspection in electronic mode. Members can inspect the same up to the date of AGM, by sending an e-mail to the Company at shareholders@motilaloswal.com.
9. The Company has appointed Mr. Umashankar K. Hegde, Practicing Company Secretary as the Scrutinizer for scrutinizing the Remote e-voting and E-voting process to ensure that the process is carried out in a fair and transparent manner.
10. Interim dividend for the financial year ended March 31, 2020 @ ₹ 4.00/- per Equity Share was paid by February 20, 2020.
11. The Member whose name appears on the Register of Members/Beneficial Owners maintained by the Depositories as on cut-off date i.e. Friday, July 24, 2020 will only be considered for the purpose of Remote e-voting and E-voting.
12. Voting rights shall be reckoned on the paid-up value of shares registered in the name of Members/Beneficial Owners maintained by the Depositories as on the cut-off date i.e. Friday, July 24, 2020.
13. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
14. The Members attending the AGM should note that those who are entitled to vote but have not exercised their right to vote by Remote e-voting, may vote during the AGM through E-voting for all businesses specified in the accompanying Notice. The Members who have exercised their right to vote by Remote e-voting may attend the AGM but shall not vote at the AGM.
15. Members who are holding shares in physical form or who have not registered their email address with the Company/Depository or any person who acquires shares of the Company and becomes a Member of the Company after the Notice has been sent electronically by the Company, and holds shares as of the cut-off date, i.e. Friday, July 24, 2020, may obtain the User ID and password by sending a request at helpdesk.evoting@cdslindia.com or rnt.helpdesk@linkintime.co.in. However, if a Member is already registered with CDSL for Remote e-voting and E-voting then existing User ID and password can be used for casting vote.
16. A person who is not a Member as on the cut-off date i.e. Friday, July 24, 2020 should treat this Notice for information purpose only.
17. Members can avail the facility of nomination in respect of the Equity Shares held by them in physical form pursuant to the provisions of Section 72 of the Act read with rules thereunder. Members desiring to avail this facility may send their nomination in Form SH-13 duly filled in to the Registrar & Share Transfer Agent ("RTA") of the Company i.e. Link Intime India Private Limited. Further, members desirous of cancelling/varying nomination pursuant to the provisions of the Act are requested to send their requests in Form SH. 14 to RTA of the Company. These forms will be made available on request.
18. The Members who still hold share certificate(s) in physical form are advised to dematerialise their shareholding to avail the benefits of dematerialization, which include easy liquidity, since trading is permitted in dematerialised form only, electronic transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries. Further, effective from April 01, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in a dematerialized form with a depository except in case of transmission or transposition of securities as per the Listing Regulations. Therefore, the Members who still hold share certificate(s) in physical form are advised to dematerialize their shareholding at the earliest.
19. **Unclaimed Dividend**

Pursuant to the provisions of Section 124 and 125 of the Act read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends which remain unclaimed/unpaid for a period of 7 years are required to be transferred to Investor Education and Protection Fund ("IEPF").

The Company requests the Members to claim the unclaimed dividends within the prescribed period. The details of the unclaimed dividends are available on the website of the Company at www.motilaloswalgroup.com and MCA at www.iepf.gov.in. The Members can contact Link Intime India Private Limited for claiming the unclaimed dividends standing to the credit in their account.
20. **Shares transferred to IEPF:**

The Equity shares in respect to which dividend has not been encashed for seven consecutive years or more will be required to transfer to IEPF pursuant to Section 124(6) of the Act. Relevant details in this respect are posted on the website of the Company at www.motilaloswalgroup.com in Investor Relations section.

In this regard, the Company has sent intimations to the Members from time to time. The Members are requested to contact Company or RTA to claim their dividend and in case of any pending legal disputes, provide certified copy of order from Court / Authority restraining transfer, payment of dividend etc. During the financial year 2019-20, the Company has transferred 1,243 equity shares on September 16, 2019 and 55 equity shares on November 29, 2019 to IEPF.

21. SEBI has mandated the registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, to send duly signed letter including Folio No., Bank Account Details (account number, 9 digit MICR code and 11 digit IFSC), e-mail IDs and mobile number along with self-attested copy of PAN Card and original cancelled cheque to RTA / Company through e-mail at rnt.helpdesk@linkintime.co.in / shareholders@motilaloswal.com. The original cancelled cheque should bear the name of the Member. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.
22. The Company confirms that all the Employee Stock Options Schemes of the Company are falling under direct route and not Trust route and accordingly the provisions related to Trust route as specified in the SEBI (Share Based Employee Benefits) Regulations, 2014 are not applicable to the aforesaid Schemes of the Company. Further, all the permanent employees (except the persons as mentioned in the regulations) of the Company, its holding company and its subsidiary companies are entitled to participate in said schemes of the Company. Further, the Company confirms that the Company has not granted employee stock options equal to or exceeding one percent of the issued capital of the Company at the time of grant of stock options to any employees of the Company / Holding Company / Subsidiary Company.
23. Additional Information of Directors seeking appointment / re-appointment at the ensuing AGM, as required under Regulation 36(3) of the Listing Regulations and Clause 1.2.5 of the Secretarial Standard-2 on General Meetings ("SS-2"), is annexed to the Notice.
24. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.
25. Since the AGM will be held through VC/OAVM, the Route Map and Attendance Slip are not annexed to this Notice.

Voting Results:

1. The Scrutinizer shall, after the conclusion of the AGM, electronically submit the Consolidated Scrutinizer's Report (i.e. votes cast through Remote e-voting and E-voting during AGM) of the total votes cast in favour or against the resolution and invalid votes, to the Chairman of the AGM or to any other person authorised by the Chairman of the Company.
2. Based on the Scrutinizer's Report, the Company will submit within 48 hours of the conclusion of the AGM to the Stock Exchanges, details of the voting results as required under Regulation 44(3) of the Listing Regulations.
3. The result declared along with Scrutinizer's Report will be placed on the website of the Company at www.motilaloswalgroup.com and on the website of CDSL at www.evotingindia.com.

INSTRUCTIONS FOR REMOTE E-VOTING AND E-VOTING DURING AGM

I. INSTRUCTIONS FOR REMOTE E-VOTING:

The detailed process, instructions and manner for availing Remote e-voting facility is provided herein below:

- (i) The Remote e-voting period commences on Monday, July 27, 2020 at IST 9.30 a.m. and ends on Wednesday, July 29, 2020 at IST 5.00 p.m. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, July 24, 2020 may cast their vote electronically. The Remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the AGM date would not be entitled to vote at the AGM.
- (iii) The equity shareholders should log on to the E-voting website www.evotingindia.com.
- (iv) Click on "Shareholders / Members" tab to cast your votes.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

Notice (Contd.)

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Equity Shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both i.e. for equity shareholders holding shares in Demat Form and Physical Form) <ul style="list-style-type: none">• Equity shareholders who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Postal Ballot Form indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none">• If both the details are not recorded with the Company/ Depository Participant, please enter the DP ID and Client ID/ Folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, equity shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for E-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For equity shareholders holding shares in physical form, the details can be used only for E-voting on the resolutions contained in this Notice.
- (xii) Click on the Electronic Voting Sequence Number (“EVS”) for the relevant “Motilal Oswal Financial Services Limited” on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Equity Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non-Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at shareholders@motilaloswal.com, if they have voted from individual tab & not uploaded same in the CDSL E-voting system for the scrutinizer to verify the same.
- (xxi) In case you have any queries or issues regarding E-voting, you may refer the Frequently Asked Questions (“FAQs”) and E-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

II. INSTRUCTIONS FOR E-VOTING DURING THE AGM:

1. The procedure for E-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those Members, who are present in the AGM through VC / OAVM and have not casted their vote on the Resolutions through Remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through E-voting system available during the AGM.
3. Members who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Instructions for attending the AGM through VC / OAVM:

1. Member will be provided with a facility to attend the AGM through VC / OAVM through the CDSL E-voting system. Members may access the same at <https://www.evotingindia.com> under shareholders / members login tab by using the Remote e-voting credentials. The link for VC/OAVM will be available 15 minutes before the scheduled time of AGM in shareholder / members login tab where the EVSN of Company will be displayed.
2. The Members can join the AGM in the VC / OAVM mode 15 minutes before the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available to at least 1000 members on first come first served basis.

This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
4. Members are encouraged to join the AGM through Laptops / IPads for better experience.
5. Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the AGM.
6. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. The Members who would like to express their views / ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail Id mentioning their name, demat account number / folio number, email id, mobile number at shareholders@motilaloswal.com up to **July 24, 2020 (IST 5.00 p.m.)**. Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM.
8. The Members who do not wish to speak during the AGM but have queries may send their queries from their registered e-mail Id mentioning their name, demat account number / folio number, email id, mobile number at shareholders@motilaloswal.com up to **July 24, 2020 (IST 5.00 p.m.)**. These queries will be replied by the Company appropriately during the AGM. Alternatively, members can also put question on the Q&A box available at the time of the AGM.
9. Members who need technical assistance before or during the AGM can send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

Instructions for Shareholders for Registration of E-Mail Address

I. Temporary Registration for Demat shareholders:

The Members of the Company holding Equity Shares of the Company in Demat Form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with the Company by sending the mail to the Company at shareholders@motilaloswal.com. The Members are requested to provide details such as Name, DP ID, Client ID/PAN, mobile number and e-mail id.

II. Permanent Registration for Demat Shareholders:

It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant ("DP") by following the procedure prescribed by the DP.

III. Registration for Shareholders holding physical shares:

The Members of the Company holding Equity Shares of the Company in physical Form and who have not registered their e-mail addresses may get their e-mail addresses registered with RTA of the Company i.e. Link Intime India Private Limited by sending the request at rnt.helpdesk@linkintime.co.in. The Members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and e-mail id and the image of share certificate in PDF or JPEG format. (up to 1 MB).

ANNEXURE TO THE NOTICE

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

ITEM NO. 4

In terms of the provisions of section 152 of the Companies Act, 2013 (“the Act”) 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, Mr. Raamdeo Agarawal, Mr. Navin Agarwal and Mr. Ajay Menon, non-independent directors are eligible to retire by rotation. However, since, Mr. Navin Agarwal and Mr. Ajay Menon were appointed on the same day i.e. August 21, 2018 and both being longest in the office, as per mutual agreement, Mr. Navin Agarwal will retire by rotation and would be eligible for re-appointment in this Annual General Meeting.

Mr. Agarwal is the Managing Director of Motilal Oswal Financial Services Limited. He joined Motilal Oswal Group in 2000 and has been responsible for building a market-leading position in Institutional Equities. He is a part of the Executive Board that drives business strategy and reviews for all businesses besides capital allocation of the group.

He started his career as a Senior Analyst with Insight Asset Management in 1994. In the year 1996, he was appointed the Head of Research and subsequently took up the additional responsibility of Portfolio Management in 1998.

Mr. Agarwal is affiliated with prestigious organizations like Institute of Chartered Accountants of India, Institute of Cost and Works Accountant of India, Institute of Company Secretaries of India and CFA Institute, Virginia.

Mr. Agarwal has also co-authored a Book ‘India’s Money Monarchs’ featuring interactions with India’s leading investment managers.

Accordingly, the Board recommends the Ordinary Resolution set out in Item No. 4 of the Notice for approval of the Members.

Save and except Mr. Agarwal who is appointee, none of the other Directors and Key Managerial Personnel of the Company or their respective relatives except to the extent of their shareholding, if any, in the Company are concerned or interested, financial or otherwise, in said Resolution.

ITEM NO. 5, 6 & 7

Pursuant to the recommendation of Nomination and Remuneration Committee and approval of the Board, the Members at the Twelfth Annual General Meeting (“AGM”) of the Company scheduled on July 27, 2017 had re-appointed Mr. Vivek Paranjpe (DIN: 03378566), Mr. Praveen Tripathi (DIN: 03154381) and Ms. Sharda Agarwal (DIN: 00022814) as Independent Director of the Company for 2nd term of 3 years for holding office from conclusion of Twelfth AGM of the Company till the conclusion of Fifteenth AGM of the Company, without being liable to retire by rotation.

Since the aforesaid 2nd term of appointment as Independent Directors is set to expire in the Fifteenth AGM of the Company, on recommendation of Nomination and Remuneration Committee, pursuant to the recommendations by Nomination and Remuneration Committee, the Board of Directors on June 27, 2020, had appointed Mr. Chitradurga Narasimha Murthy (C. N. Murthy) (DIN: 00057222), Mr. Pankaj Bhansali (DIN: 03154793) and Mrs. Divya Momaya (DIN: 00365757) as an Additional Independent Director(s) of the Company, without being liable to retire by rotation, w.e.f. July 01, 2020 in accordance with the provisions of Section 161 of the Companies Act, 2013 (“the Act”) to hold office up to this AGM of the Company. Mr. Murthy, Mr. Bhansali and Mrs. Momaya are appointed as Director(s) of the Company w.e.f. July 01, 2020 and as Independent Director(s) of the Company for a term of 3 years i.e. from July 01, 2020 to June 30, 2023, subject to approval of Members at the this AGM.

The brief profile of Independent Director(s) are given below:-

Brief Profile of Mr. C. N. Murthy

Mr. C. N. Murthy is a B.Tech. (Mechanical) graduate from IIT Kharagpur with 1st class (Hons). He is a trained professional Life / Executive Coach certified by Coaching & Leadership Inc. Canada.

He is also a Marshall Goldsmith Stake Holder Centred Coach, with certifications in the practice of DiSC and Lumina Spark personality assessments. He is a PCC Credentialed coach by International Coach Federation. He is a certified facilitator for Accountability training by Partners in Leadership, USA, for programmes on Collaboration for Results by Dialogue Works, USA and for facilitation of Business Simulation Exercises by Business Today, SA.

He has nearly 40 years of experience in the packaging industry working with ITC Ltd. and with a global packaging major, Huhtamaki-PPL Limited (HPPL) (erstwhile The Paper Products Limited), headquartered in Finland and with major operations worldwide. He possesses experience of handling Board level assignments as Executive Director & Chief Operating Officer of HPPL.

Mr. Murthy has 2000+ hours of coaching experience working with senior leadership teams across organisations in India and abroad. He is actively involved in executive leadership development activity in large business houses across industry segments in India and abroad, working with leaders at C Suite and senior leadership levels over the past 10 years. The assignments involved working with identified highly potential people (HIPOTs) and helping them develop self-awareness and building the ability to manage greater complexity in their lives.

Mr. Murthy is President of ICF, Mumbai Chapter and he has been invited as a Key Note and Motivational speaker by various organisations and Associations.

He is also the sole proprietor of a consulting firm CN Consulting.

Brief Profile of Mr. Pankaj Bhansali

Mr. Pankaj Bhansali is a qualified Chartered Accountant with over 20 years of extensive experience in managing and running businesses into financial services. He has an extensive background of delivering results in complex and challenging environments with proven track record of setting up systems, establishing new divisions and creating synergies between various business lines.

He has held the various positions in Religare Enterprise Limited, diversified financial services group, from June, 2005 till April, 2012 in India as well as in UK. He has worked with and was associated with several other financial services groups.

He is currently the Managing Partner of Arth Capital Advisors Private limited, a boutique investment banking and advisory firm.

Brief Profile of Mrs. Divya Momaya

Mrs. Divya Momaya has done B.com from Garware College of Commerce, University of Pune and is a qualified member of Institute of Company Secretaries of India (ICSI) and Qualified Independent Director from IICA and a member of Institute of Directors (IOD). Mrs. Momaya is a founder mentor of D. S. Momaya & Co. and possesses more than 16 years of industry experience. She has been into Whole-time Company Secretarial Practice for more than 12 years and is also a Board Mentor. Her Corporate Journey includes experience with Companies like BSEL Infrastructure Realty Limited and BSE Limited.

Mrs. Momaya is also the Founder & Director of MMB Advisors Private Limited - MentorMyBoard. MentorMyBoard is an initiative to train and groom Independent Directors, Women Directors, Executive Directors and Corporate Executives for various Board Positions. It also helps Companies setting up Board processes and policies in companies which helps them in growing at faster pace.

She is the member and working committee member of various eminent organisations like Jain International Trade Organisation (JITO), JITO Angel Network (JAN), IMC Chamber of Commerce and Industry, CIMSME KDO Venture Katalyst etc. She is also serving as an Independent Director on the Board of listed entity namely Arihant Superstructures Limited.

The Company has received all disclosures / declaration from Mr. Murthy, Mr. Bhansali and Mrs. Momaya as required under various laws. The Company has also received a declaration to the effect that they meet the criteria of independence as per the applicable provisions of the Companies Act, 2013 & SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended from time to time) and they have registered on the Independent Director's Databank. The copy of the draft letter of appointment of Independent Directors setting out their terms and conditions would be available for inspection in electronic mode. Members can inspect the same up to the date of AGM, by sending an e-mail to the Company at shareholders@motilaloswal.com.

The Board is of the view that the Company would greatly benefit from the rich and varied experience of Mr. Murthy, Mr. Bhansali and Mrs. Momaya and accordingly recommends the Ordinary Resolution(s) set forth in Item No. 5, 6 & 7 of the Notice for approval of the Members.

Mr. Murthy, Mr. Bhansali and Mrs. Momaya respectively, are concerned or interested in the resolution(s) of the accompanying Notice relating to their own appointment.

None of the other Directors and Key Managerial Personnel of the Company or their respective relatives except to the extent of their shareholding, if any, in the Company are concerned or interested, financial or otherwise, in these Resolutions.

The additional information of Director(s) seeking appointment / re-appointment at the Fifteenth AGM pursuant to Secretarial Standards-2 (SS-2) and Listing Regulations is annexed to this Notice.

ITEM NO. 8

In accordance to the provision of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Motilal Oswal Finvest Limited (MOFL), qualifies to be a material subsidiary of the Company as per the financial statement of FY 2019-20. In view of the provision of Regulation 24(6) of the Listing Regulations, selling, disposing or leasing of assets amounting to more than twenty per cent of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders of the holding Company by way of special resolution.

Notice (Contd..)

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

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

Accordingly, the Board recommends the Special Resolution set forth in Item No. 8 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company including their relatives is, in any way interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

ANNEXURE TO ITEM NO. 4, 5, 6 & 7

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

Name of Director	Mr. Navin Agarwal	Mr. C. N. Murthy	Mr. Pankaj Bhansali	Mrs. Divya Momaya
Date of Birth	June 4, 1971	March 21, 1951	August 12, 1975	April 25, 1979
Qualifications	Chartered Accountant, Cost & Works Accountant, Company Secretary and Chartered Financial Analyst	B.Tech. (Mechanical)	Chartered Accountant	Company Secretary
Date of Appointment/ Re-appointment on the Board	August 21, 2018	July 1, 2020	July 1, 2020	July 1, 2020
Remuneration	(1)	(2)	(2)	(2)
Terms and conditions of appointment / re-appointment	Appointed as a Director liable to retire by rotation.	Appointed as an Independent Director of the Company for a term of 3 years.	Appointed as an Independent Director of the Company for a term of 3 years.	Appointed as an Independent Director of the Company for a term of 3 years.
Directorships held in other companies (excluding foreign companies) as on date	1) Motilal Oswal Finvest Limited 2) Motilal Oswal Capital Limited 3) Motilal Oswal Investment Advisors Limited 4) Motilal Oswal Real Estate Investment Advisors II Private Limited 5) Motilal Oswal Home Finance Limited	Nil	1) Netstream Networks Private Limited 2) Arth Capital Advisors Private Limited 3) Airpro Technology India Private Limited 4) Eqaro Surety Private Limited	1) MBB Advisors Private Limited 2) Arihant Superstructures Limited
Memberships of committees across companies (only Statutory Committees as required to be constituted under the Act are considered)	A. Audit Committee 1) Motilal Oswal Finvest Limited B. Nomination and Remuneration Committee 1) Motilal Oswal Finvest Limited C. Stakeholders Relationship Committee 1) Motilal Oswal Financial Services Limited 2) Motilal Oswal Home Finance Limited	Nil	Nil	Nomination and Remuneration Committee Arihant Superstructures Limited

Notice (Contd.)

Name of Director	Mr. Navin Agarwal	Mr. C. N. Murthy	Mr. Pankaj Bhansali	Mrs. Divya Momaya
	D. Corporate Social Responsibility Committee 1) Motilal Oswal Investment Advisors Limited 2) Motilal Oswal Home Finance Limited			
Shareholding in the Company (Equity) as on the date of notice	73,68,010	Nil	Nil	Nil
Relationship with other Directors / Manager / Key Managerial Personnel	None	None	None	None
Number of Board meetings attended during the FY 2019-20	Seven out of Seven Meetings	Not Applicable	Not Applicable	Not Applicable

- (1) The Remuneration details is mentioned in Board's Report of the Company.
- (2) The Director would be entitled to receive sitting fees and commission as paid to other Independent Directors of the Company.

**By Order of the Board
Motilal Oswal Financial Services Limited**

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

Date: June 30, 2020
Place: Mumbai