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MOTILAL OSWAL

SUBSIDIARY COMPANIES
FINANCIAL STATEMENTS 2017-18

CONTENTS

Motilal Oswal Asset Management Company Limited	1 - 33
Motilal Oswal Commodities Broker Private Limited	34 - 57
Motilal Oswal Capital Markets (Hongkong) Private Limited	58 - 69
Motilal Oswal Capital Markets (Singapore) Pte. Ltd.	70 - 81
Motilal Oswal Securities International Private Limited	82 - 98
Motilal Oswal Wealth Management Limited	99 - 126
Motilal Oswal Capital Markets Limited	127 - 150
Aspire Home Finance Corporation Limited	151 - 206
Motilal Oswal Investment Advisors Limited	207 - 233
Motilal Oswal Fincap Private Limited	234 - 255
MOPE Investment Advisors Private Limited	256 - 285
Motilal Oswal Real Estate Investment Advisors Private Limited	286 - 302
Motilal Oswal Real Estate Investment Advisors II Private Limited	303 - 326
India Business Excellence Management Co.	327 - 339
Motilal Oswal Asset Management (Mauritius) Pvt. Ltd.	340 - 350
Motilal Oswal Capital Limited	351 - 366
Motilal Oswal Trustee Company Limited	367 - 384



Motilal Oswal Asset Management Company Limited

Financial Statement 2017-2018

INDEPENDENT AUDITORS' REPORT

To the Members of Motilal Oswal Asset Management Company Limited

Report on the Financial Statement

1. We have audited the accompanying financial statement of Motilal Oswal Asset Management Company Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its profit and its cash flows for the year ended on that date.

Other Matter

9. The financial statement of the Company for the year ended 31 March 2017 were audited by predecessor auditor of the Company, whose report dated 24 April 2017, expressed an unmodified opinion on those statements.

Report on Other Legal and Regulatory Requirements

10. 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.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

11. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:
- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the financial statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statement comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2018 in conjunction with our audit of the financial statement of the Company for the year ended on that date and our report dated 26 April 2018 as per Annexure II expressed an 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 does not have any pending litigation which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statement. Hence, reporting under this clause is not applicable.

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

per **Khushroo B. Panthaky**
Partner
Membership No.: 42423

Place: Mumbai
Date: 26 April 2018

Annexure I to the Independent Auditor's Report of even date to the Members of Motilal Oswal Asset Management Company Limited, on the Financial Statement for the year ended 31 March 2018

Annexure I

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (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 not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (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 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 statement as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

- (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

per **Khushroo B. Panthaky**
Partner
Membership No.: 42423

Place: Mumbai
Date: 26 April 2018

INDEPENDENT AUDITORS' REPORT (Contd.)

Annexure II

Management's Responsibility for the Financial Statement

1. In conjunction with our audit of the financial statement of Motilal Oswal Asset Management Company Limited ('the Company') as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement 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 statement.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Khushroo B. Panthaky**

Partner

Membership No.: 42423

Place: Mumbai

Date: 26 April 2018.

BALANCE SHEET

Balance Sheet

Particulars	Note No.	As on 31-Mar-18 (In ₹)	As on 31-Mar-17 (In ₹)
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	65,05,00,000	65,00,00,000
(b) Reserves and surplus	4	2,05,28,89,383	70,36,43,219
Total		2,70,33,89,383	1,35,36,43,219
2. Non-current liabilities			
(a) Long-term provisions	5	1,43,41,227	92,38,382
(b) Deferred tax liabilities (net)	6	44,51,96,285	22,78,12,781
Total		45,95,37,512	23,70,51,163
3. Current liabilities			
(a) Trade payables			
– total outstanding dues of micro enterprises and small enterprises		–	–
– total outstanding dues of creditors other than micro enterprises and small enterprises	7	78,21,98,392	59,11,92,045
(b) Other current liabilities	8	20,20,24,570	8,59,18,611
(c) Short-term provisions	9	21,34,26,788	11,29,86,129
Total		1,19,76,49,750	79,00,96,785
TOTAL		4,36,05,76,644	2,38,07,91,167
II. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(i) Property, plant and equipment	10	58,37,490	46,67,931
(ii) Intangible assets	10	62,59,992	65,90,026
(iii) Intangible assets under development		11,22,522	–
(b) Non-current investments	11	1,98,92,68,232	68,37,90,760
(c) Long-term loans and advances	12	1,03,00,25,320	75,54,88,902
Total		3,03,25,13,556	1,45,05,37,619
2. Current assets			
(a) Trade receivables	13	76,83,03,826	54,13,86,145
(b) Cash and bank balances	14	1,22,53,566	5,33,07,417
(c) Short-term loans and advances	15	54,75,05,696	33,55,59,986
Total		1,32,80,63,088	93,02,53,548
TOTAL		4,36,05,76,644	2,38,07,91,167

The accompanying notes 1 to 37 form an integral part of the financial statement

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

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

Khushroo B. Panthaky
Partner
Membership No. 42423

Place : Mumbai
Dated : 26th April, 2018

**For and on behalf of the Board of Directors of
Motilal Oswal Asset Management Company Limited**

Raamdeo Agarawal
Director
DIN: 0024533

Aashish Somaiyaa
Chief Executive Officer

Aparna Karmase
Company Secretary & Compliance Officer

Yatin Dolia
Chief Financial Officer

Place : Mumbai
Dated : 26th April, 2018

STATEMENT OF PROFIT AND LOSS

Statement of Profit and Loss

Particulars	Note No.	Year ended 31-Mar-18 (In ₹)	Year ended 31-Mar-17 (In ₹)
Revenue			
(a) Revenue from operations	16	6,65,97,62,545	3,40,12,44,167
(b) Other income	17	2,37,66,764	1,22,08,637
Total revenue		6,68,35,29,309	3,41,34,52,804
Expenses			
(a) Employee benefits expense	18	52,33,34,196	29,98,83,892
(b) Finance cost	19	12,17,106	1,16,336
(c) Depreciation and amortisation expense	10	53,67,395	62,00,463
(d) Operating expenses	20 (a)	3,72,07,90,746	2,00,88,26,854
(e) Other expenses	20 (b)	52,49,28,997	33,95,54,681
Total expenses		4,77,56,38,440	2,65,45,82,226
Profit before taxation		1,90,78,90,869	75,88,70,578
Tax expense			
(a) Current tax		40,65,79,580	16,30,78,407
(b) Deferred tax charge		21,73,83,504	23,14,08,130
(c) Income tax for earlier years		(25,86,543)	(8,75,29,441)
(d) Minimum alternate tax credit utilised/(entitlement)		1,01,08,045	(4,56,40,746)
(e) Minimum alternate tax credit adjustments of previous years		(3,83,19,782)	—
		59,31,64,804	26,13,16,350
Profit after tax		1,31,47,26,065	49,75,54,228
Earnings per equity share	26		
Basic		2.02	0.77
Diluted		1.90	0.75

The accompanying notes 1 to 37 form an integral part of the financial statement

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

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

Khushroo B. Panthaky
Partner
Membership No. 42423

Place : Mumbai
Dated : 26th April, 2018

**For and on behalf of the Board of Directors of
Motilal Oswal Asset Management Company Limited**

Raamdeo Agarawal
Director
DIN: 0024533

Aparna Karmase
Company Secretary & Compliance Officer

Place : Mumbai
Dated : 26th April, 2018

Aashish Somaiyaa
Chief Executive Officer

Yatin Dolia
Chief Financial Officer

CASH FLOW STATEMENT

Statement of Cash Flow

Particulars	Year ended 31-Mar-18 (In ₹)	Year ended 31-Mar-17 (In ₹)
A. Cash Flow from operating activities		
Profit before taxation	1,90,78,90,869	75,88,70,578
Adjustment for:		
Interest expense	12,17,106	1,16,336
Dividend from mutual funds	(9,64,993)	–
Miscellaneous amounts written back / (off) [net]	(16,27,015)	–
Provision no longer required written back	(25,48,708)	–
Profit on sale of investment	(23,79,01,806)	(96,28,612)
Depreciation and amortisation expense	53,67,395	62,00,464
Interest income	(73,493)	(7,01,565)
Provision for doubtful debt	(18,22,326)	52,63,348
Bad debts	24,62,637	6,01,941
Employee stock option scheme cost	3,45,20,099	44,03,000
Operating profit	1,70,65,19,765	76,51,25,490
Adjustment for working capital changes:		
1) Increase/(decrease) in long term provisions	51,02,845	36,48,835
2) Increase/(decrease) in trade payables	19,10,06,348	43,34,43,595
3) Increase/(decrease) in other current liabilities	11,97,40,941	6,12,59,372
4) Increase/(decrease) in short term provision	5,32,03,322	1,44,68,871
5) (Increase)/decrease in long term loans and advances	(24,78,91,979)	(61,11,80,720)
6) (Increase)/decrease in trade receivables	(22,75,57,992)	(29,47,60,531)
7) (Increase)/decrease in short-term loans & advances	(21,19,45,711)	(5,68,43,039)
Cash generated from operations	1,38,81,77,539	31,51,61,873
Direct taxes paid net (including MAT credit utilised)	(35,51,88,405)	(13,58,55,306)
Net cash generated from operating activities	1,03,29,89,134	17,93,06,567
B. Cash flow from investing activities		
Interest received on fixed deposits and others	73,493	7,01,565
Dividend from mutual funds	9,64,993	–
Purchase of fixed assets	(62,06,920)	(73,07,959)
Paid for intangible assets under development	(11,22,522)	–
Purchase of mutual fund units (current investments)	(6,69,00,00,000)	(3,02,00,00,000)
Proceeds (including profit) from sale of mutual fund units (current investments)	6,70,79,87,645	3,02,96,28,612
Purchase of mutual fund units (including dividend reinvested)	(2,00,34,64,993)	(19,90,00,000)
Proceeds (including profit) from sale of mutual fund units	92,11,43,588	–
Purchase of equity shares of wholly owned subsidiary	(32,41,905)	(62,92,000)
Net cash flow used in investing activities	(1,07,38,66,621)	(20,22,69,782)

CASH FLOW STATEMENT (Contd.)

Particulars	Year ended 31-Mar-18 (In ₹)	Year ended 31-Mar-17 (In ₹)
C. Cash Flow from financing activities		
Proceeds from issue of equity shares	5,00,000	—
Short-term borrowings	1,39,75,00,000	—
Repayment of short-term borrowings	(1,39,75,00,000)	—
Interest paid	(6,76,364)	(1,16,336)
Net cash flow used in financing activities	(1,76,364)	(1,16,336)
Net increase / (decrease) in cash & cash equivalents during the year (A+B+C)	(4,10,53,851)	(2,30,79,551)
Cash and cash equivalents as at beginning of the year	5,33,07,417	7,63,86,968
Cash and cash equivalents as at end of the year	1,22,53,566	5,33,07,417
Components of cash & cash equivalents (also refer note 14)		
Cash in hand	39,520	5,75,748
Balances with banks in current accounts	1,19,95,400	5,27,31,669
Cheques in hand	2,18,646	—
Total	1,22,53,566	5,33,07,417

Notes:

- The above cash flow statement has been prepared under indirect method as set out in Accounting Standard 3, 'Cash Flow Statements', as specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Account) Rules, 2014 (as amended).
- Figures in brackets indicate cash outflows.

The accompanying notes 1 to 37 form an integral part of the financial statement

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

Khushroo B. Panthaky
Partner
Membership No. 42423

Place : Mumbai
Dated : 26th April, 2018

**For and on behalf of the Board of Directors of
Motilal Oswal Asset Management Company Limited**

Raamdeo Agarawal
Director
DIN: 0024533

Aparna Karmase
Company Secretary & Compliance Officer

Place : Mumbai
Dated : 26th April, 2018

Aashish Somaiyaa
Chief Executive Officer

Yatin Dolia
Chief Financial Officer

NOTES TO FINANCIAL STATEMENT

Summary of Significant Accounting Policies and Other Explanatory Information

Note 1 : Background

Motilal Oswal Asset Management Company Limited (“MOAMC” or the “Company”) was incorporated on 14 November 2008. The principal shareholder of the Company is Motilal Oswal Securities Limited (“MOSL”).

The Company’s principle activity is to act as an Investment Manager and provide, investment management and administrative services to the Schemes of Motilal Oswal Mutual Fund (‘the Fund’), to provide Portfolio Management Services (‘PMS’) to clients, investment management services to Alternate Investment Funds and provide investment advisory services to offshore funds.

The Company is registered with Securities and Exchange Board of India (‘SEBI’) under SEBI (Mutual Fund) Regulations, 1996, SEBI (Portfolio Managers) Regulations, 1993 and SEBI (Alternative Investment Funds) Regulations, 2012.

Basis of preparation of financial statement

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

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

Note 2 : Significant accounting policies

(a) Use of estimates

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

(b) Property, plant and equipment (PPE)

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

Depreciation

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

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

(c) Intangible assets and amortisation

- Customer rights to portfolio management clients acquired by the Company are considered as Intangible asset and amortized over a period of five years on straight line method basis from the date of acquisition.
- Expenses incurred on Computer software having enduring benefits are capitalized and amortized on straight line method basis over a period of five years.

(d) Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If such an indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount

Summary of Significant Accounting Policies and Other Explanatory Information *(Contd..)*

is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

(e) Investments

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

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

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

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

(f) Revenue recognition

Revenue is recognised when there is reasonable certainty of its ultimate realisation/collection.

- **Investment management fees from Mutual Funds (net of service tax/GST)**
Investment management fees on Mutual Funds are recognised on an accrual basis in accordance with Investment Management Agreement and SEBI (Mutual Fund) Regulations, 1996, based on daily Average Assets under Management (AUM) of the Schemes of Motilal Oswal Mutual Fund.
- **Investment management fees from Alternate Investment Funds (net of service tax/GST)**
Alternate Investment Management Fee is recognised on an accrual basis in accordance with Private Placement Memorandum.
- **Investment advisory fees (net of service tax/GST)**
Investment advisory fee is recognised on an accrual basis in accordance with the terms of the contract with the clients.
- **Portfolio management fees (net of service tax/GST)**
Portfolio management fees are recognised on an accrual basis in accordance with the Portfolio Management agreement entered with respective investor.
- **Profit or loss on sale of investments**
The gains/ losses on sale of investments are recognised in the Statement of Profit and Loss on the trade date. Profit or loss on sale of investments is determined on weighted average cost basis.
- **Interest and dividend income**
Interest income is accounted on an accrual basis. Dividend income is recognised when the right to receive dividend is established.

(g) Distribution Cost

- **Portfolio Management Services**
Distribution cost for Portfolio Management Services are charged to Statement of Profit and Loss on accrual basis. Distribution cost paid in advance is amortised over the contractual period. In respect of Portfolio Management Services, the Company has paid/accrued commission to the distributors and has the right of recovery of such commission under pre-defined circumstances (which includes investor exit up-to the “commitment period” as per the respective agreement entered with investor). On this account, an asset (prepaid expenses) is recognised at the time of actual payment or becoming due for payment and charged evenly to the Statement of Profit and Loss over the commitment period of the respective investor.
- **Alternate Investment Fund Services**
Distribution cost for Alternate Investment Fund Management Services are charged to Statement of Profit and Loss on accrual basis. In respect of Alternate Investment Fund Services, the Company has paid/accrued commission to the distributors and has the right of recovery of such commission under pre-defined circumstance. On this account, an asset (prepaid expenses) is recognised at the time of actual payment or becoming due for payment and charged evenly to the Statement of Profit and Loss over the period of the scheme.

Summary of Significant Accounting Policies and Other Explanatory Information *(Contd..)*

(h) Foreign currency transactions

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

(i) Employee benefits

Short-term employment benefits

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

Post-employment benefits

Defined contribution plan :

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

Defined benefits plan :

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognised actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognised immediately in the Statement of Profit and Loss.

Other long-term benefits

Other long-term benefits consist of heritage club benefits, which are recognised as liability at the present value of defined benefits obligation as at the Balance Sheet date. The defined obligation benefit is calculated at the Balance Sheet date by an independent actuary using the projected unit credit method.

Compensated absences

As per the policy of Company, an employee can carry forward maximum 10 days of leave to next financial year. No leave is allowed to be encashed. An obligation arises as employees render service that increase their entitlement to future compensated absences. Provision is made for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

Ex-gratia (bonus)

The Company recognizes the costs of bonus payments when it has a present obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

Employees Stock Option Expenses

The Employees Stock Options Scheme ("the Scheme") has been established by the Company. The Scheme provides that employees are granted an option to subscribe to equity share of the Company that vest on the satisfaction of vesting conditions. The options may be exercised within specified period. Measurement and disclosure of Employee Share-based Payment Plan is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by The Institute of Chartered Accountants of India. The Company follows the fair value method to account for its stock based employee compensation plans.

(j) Fund related expenses

New fund offer expenses

Expenses relating to initial issue of Mutual Fund Schemes of the Fund are charged to the Statement of Profit and Loss in the year in which such expenses are incurred which is in compliance with SEBI (Mutual Funds) Regulations, 1996-

Recurring fund expenses

Expenses incurred (inclusive of advertisement / brokerage expenses) on behalf of schemes of Motilal Oswal Mutual Fund are recognised in the Statement of Profit and Loss unless considered recoverable from the schemes of the Fund in accordance with the provisions of SEBI (Mutual Fund) Regulations, 1996.

Summary of Significant Accounting Policies and Other Explanatory Information *(Contd..)*

(k) Operating leases

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

Operating lease rentals are recognised as an expense in the Statement of Profit and Loss on straight line basis over the lease period on accrual basis as per the terms of agreement with counter parties.

(l) Taxation

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

Current tax

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

Minimum Alternate Tax

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

Deferred tax

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

(m) Earnings per share

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

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

(n) Provisions and Contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

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

NOTES TO FINANCIAL STATEMENT (Contd..)

Summary of Significant Accounting Policies and Other Explanatory Information (Contd..)

(o) Cash and cash equivalents

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

(p) Borrowing costs

General and specific borrowing cost directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

Note 3 : Share capital

	As at 31-Mar-18		As at 31-Mar-17	
	Number of Shares	In ₹	Number of Shares	In ₹
Authorised				
Equity shares of ₹ 1 each (Previous year ₹ 1 each)	67,60,00,000	67,60,00,000	65,00,00,000	65,00,00,000
TOTAL	67,60,00,000	67,60,00,000	65,00,00,000	65,00,00,000
Issued, subscribed and paid up				
Equity shares of ₹ 1 each fully paid up (Previous year ₹ 1 each)	65,05,00,000	65,05,00,000	65,00,00,000	65,00,00,000
	65,05,00,000	65,00,00,000	65,00,00,000	65,00,00,000

3.1 Rights, preferences and restrictions 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.

3.2 Reconciliation of number of shares outstanding

	As at 31-Mar-18		As at 31-Mar-17	
	Number of Shares	In ₹	Number of Shares	In ₹
At beginning of the year	65,00,00,000	65,00,00,000	65,00,00,000	65,00,00,000
Additions during the year	5,00,000	5,00,000	–	–
At the end of the year	65,05,00,000	65,05,00,000	65,00,00,000	65,00,00,000

3.3 Shareholder having more than 5% equity holding in the Company

Name of Shareholder	As at 31-Mar-18		As at 31-Mar-17	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Motilal Oswal Securities Limited and its nominees	65,00,00,000	99.92%	65,00,00,000	100.00%

3.4 Shares held by holding company

Name of Shareholder	As at 31-Mar-18		As at 31-Mar-17	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Motilal Oswal Securities Limited	65,00,00,000	99.92%	65,00,00,000	100.00%

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Summary of Significant Accounting Policies and Other Explanatory Information *(Contd..)*

Note 4 : Reserves and surplus

	As at 31-Mar-18 In ₹	As at 31-Mar-17 In ₹
a) Statement of Profit and Loss		
Balance at the beginning of the year	69,92,40,219	20,16,85,991
Add: Transfer from Statement of Profit and Loss	1,31,47,26,065	49,75,54,228
Balance at the end of year	2,01,39,66,284	69,92,40,219
b) Share option outstanding account		
Balance at the beginning of the year	44,03,000	–
Add: Option granted during the year (also refer note 28)	3,45,20,099	44,03,000
Balance at the end of year	3,89,23,099	44,03,000
	2,05,28,89,383	70,36,43,219

Note 5 : Long term provisions

	As at 31-Mar-18 In ₹	As at 31-Mar-17 In ₹
Provision for employee benefits (unfunded) (also refer note 29)	143,41,227	92,38,382
	1,43,41,227	92,38,382

Note 6 : Deferred tax liabilities (net)

	As at 31-Mar-18 In ₹	As at 31-Mar-17 In ₹
Deferred tax liability / (asset) on		
Provision for gratuity	(60,73,293)	(36,76,025)
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	(24,98,742)	(21,12,456)
Amortization of distribution costs	45,37,17,761	23,54,22,801
Provision for doubtful debt	50,559	(18,21,539)
	44,51,96,285	22,78,12,781

Note 7 : Trade payable

	As at 31-Mar-18 In ₹	As at 31-Mar-17 In ₹
Due to:		
MSME (also refer note 21)	–	–
Others	78,21,98,392	59,11,92,045
	78,21,98,392	59,11,92,045

NOTES TO FINANCIAL STATEMENT (Contd..)

Summary of Significant Accounting Policies and Other Explanatory Information (Contd..)

Note 8 : Other current liabilities

	As at 31-Mar-18 In ₹	As at 31-Mar-17 In ₹
Employee stock option charges payable	5,48,50,323	–
Income received in advance	4,58,42,793	–
Other payables	9,44,41,958	7,60,14,012
Salaries and others	44,56,396	5,43,543
Withholding and other taxes payable	18,79,107	93,47,803
Interest accrued and due	5,53,993	13,253
	20,20,24,570	8,59,18,611

Note 9 : Short - term provisions

	As at 31-Mar-18 In ₹	As at 31-Mar-17 In ₹
Provision for employee benefits		
ExGratia payable (also refer note 23)	14,47,64,409	9,05,11,815
Gratuity and heritage obligation (also refer note 29)	35,54,759	13,83,513
Compensated absences (also refer note 23)	7,78,658	4,19,800
Other		
Provision for taxes (Net of advance tax paid including TDS)	6,33,23,763	1,60,86,426
Provision for expenses	10,05,199	45,84,575
	21,34,26,788	11,29,86,129

Note 10 : Fixed Assets

Current Year

(In ₹)

Particulars	Gross Block				ACCUMULATED DEPRECIATION / AMORTISATION				Net Block	
	Balance as at 1-Apr-17	Additions	Disposals	Balance as at 31-Mar-18	Balance as at 1-Apr-17	Additions	Disposals	Balance as at 31-Mar-18	Balance as at 31-Mar-18	Balance as at 31-Mar-17
Property, plant and equipment										
Leasehold improvements	1,30,93,321	1,32,490	–	1,32,25,811	1,30,93,293	19,933	–	1,31,13,226	1,12,585	28
Computers	64,34,505	36,22,247	–	1,00,56,752	46,84,161	21,77,870	–	68,62,031	31,94,721	17,50,344
Furniture and fixtures	28,18,270	52,800	–	28,71,070	21,67,241	1,78,026	–	23,45,267	5,25,803	6,51,029
Electrical equipments	59,016	1,80,050	–	2,39,066	4,058	33,140	–	37,199	2,01,868	54,958
Office equipments	5,44,102	4,21,323	–	9,65,425	2,92,100	2,29,894	–	5,21,994	4,43,431	2,52,002
Vehicles	43,68,117	–	–	43,68,117	24,08,547	6,00,488	–	30,09,035	13,59,082	19,59,570
Total (A)	2,73,17,331	44,08,910	–	3,17,26,241	2,26,49,400	32,39,351	–	2,58,88,752	58,37,490	46,67,931
Intangible assets										
Customer rights to Portfolio Management clients	38,34,987	–	–	38,34,987	38,34,987	–	–	38,34,987	–	–
Computer software	1,04,38,238	17,98,010	–	1,22,36,248	38,48,212	21,28,044	–	59,76,256	62,59,992	65,90,026
Total (B)	1,42,73,225	17,98,010	–	1,60,71,235	76,83,199	21,28,044	–	98,11,243	62,59,992	65,90,026
TOTAL (A+B)	4,15,90,556	62,06,920	–	4,77,97,476	3,03,32,599	53,67,395	–	3,56,99,995	1,20,97,482	1,12,57,957

NOTES TO FINANCIAL STATEMENT (Contd.)

Summary of Significant Accounting Policies and Other Explanatory Information (Contd.)

Previous Year

(In ₹)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION / AMORTISATION				NET BLOCK		
	Balance as at 1-Apr-16	Additions	Disposals	Balance as at 31-Mar-17	Balance as at 1-Apr-16	Additions	Disposals	Balance as at 31-Mar-17	Balance as at 31-Mar-17	Balance as at 31-Mar-16	
Property, plant and equipment											
Leasehold improvements	1,30,93,321	–	–	1,30,93,321	1,05,19,932	25,73,361	–	1,30,93,293	28	25,73,389	
Computers	47,80,266	16,54,239	–	64,34,505	41,92,806	4,91,355	–	46,84,161	17,50,344	5,87,460	
Furniture and fixtures	28,18,270	–	–	28,18,270	19,28,621	2,38,620	–	21,67,241	6,51,029	8,89,649	
Electrical equipments	–	59,016	–	59,016	–	4,058	–	4,058	54,958	–	
Office equipments	3,02,575	2,41,527	–	5,44,102	1,80,529	1,11,571	–	2,92,100	2,52,002	1,22,046	
Vehicles	17,80,375	25,87,742	–	43,68,117	15,98,253	8,10,294	–	24,08,547	19,59,570	1,82,122	
Total (A)	2,27,74,807	45,42,524	–	2,73,17,331	1,84,20,141	42,29,259	–	2,26,49,400	46,67,931	43,54,666	
Intangible assets											
Customer rights to Portfolio Management clients	38,34,987	–	–	38,34,987	38,34,987	–	–	38,34,987	–	–	
Computer software	76,72,803	27,65,435	–	1,04,38,238	18,77,008	19,71,204	–	38,48,212	65,90,026	57,95,795	
Total (B)	1,15,07,790	27,65,435	–	1,42,73,225	57,11,995	19,71,204	–	76,83,199	65,90,026	57,95,795	
TOTAL (A+B)	3,42,82,597	73,07,959	–	4,15,90,556	2,41,32,136	62,00,463	–	3,03,32,599	1,12,57,957	1,01,50,461	

Note 11 : Non-current investment

Particulars	Subsidiary / Others	Shares / Units (Nos.)		Quoted / Unquoted	Partly Paid / Fully paid	Amount (₹ in lakhs)	
		31-Mar-18	31-Mar-17			31-Mar-18	31-Mar-17
Non Trade Investments (at cost)							
Investment in equity shares of (A)							
Motilal Oswal Asset Management (Mauritius) Private Limited	Subsidiary	2,55,000	2,05,000	Unquoted	Fully paid-up	1,65,32,655	1,32,90,750
MF Utilities India Private Limited	Others	5,00,000	5,00,000	Unquoted	Fully paid-up	5,00,000	5,00,000
Aspire Home Finance Corporation Limited	Others	1	1	Unquoted	Fully paid-up	10	10
Motilal Oswal Capital Limited	Subsidiary	1,00,000	1,00,000	Unquoted	Fully paid-up	10,00,000	10,00,000
Total (A)						1,80,32,665	1,47,90,760
Investment in mutual funds (B)							
Motilal Oswal Midcap 30 Fund - Direct Growth Option	Others	1,70,06,423	1,32,70,563	Unquoted	–	28,76,00,000	18,76,00,000
Motilal Oswal Multicap 35 Fund - Direct Dividend Reinvestment Option	Others	39,787	30,00,000	Unquoted	–	4,42,847	3,00,00,000
Motilal Oswal Multicap 35 Fund - Direct Growth Option	Others	5,63,32,194	3,18,90,936	Unquoted	–	1,27,77,92,719	42,60,00,000
Motilal Oswal Focused 25 Fund - Direct Growth Option	Others	1,75,32,193	6,16,771	Unquoted	–	39,00,00,000	1,00,00,000
Motilal Oswal Ultra Short Term Fund - Direct Growth Option	Others	8,76,376	8,76,376	Unquoted	–	1,04,00,000	1,04,00,000
Motilal Oswal Dynamic Fund - Direct Growth Option	Others	5,00,000	5,00,000	Unquoted	–	50,00,000	50,00,000
Total (B)						1,97,12,35,567	66,90,00,000
TOTAL (A+B)						1,98,92,68,232	68,37,90,760

Particulars	As at 31-Mar-18		As at 31-Mar-17	
	In ₹	In ₹	In ₹	In ₹
Details of quoted and unquoted investments:	Cost	Market Value	Cost	Market Value
Aggregate value of quoted investments and market value	Nil	Not Applicable	Nil	Not Applicable
Aggregate value of unquoted investments	1,98,92,68,232	Not Applicable	68,37,90,760	Not Applicable
Aggregate provision for diminution in value of investments	Nil	Not Applicable	Nil	Not Applicable

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Summary of Significant Accounting Policies and Other Explanatory Information *(Contd..)*

Note 12 : Long - term loans and advances

	As at 31-Mar-18 In ₹	As at 31-Mar-17 In ₹
Loans and advances to related parties (unsecured, considered good)		
Rent deposits	3,99,80,704	3,10,96,090
Loans and advances to others (unsecured, considered good)		
Prepaid expenses	82,55,84,641	58,71,78,276
Advance tax (Net of provision)	27,04,753	42,72,051
MAT credit receivable	16,05,49,722	13,23,37,985
Rent, electricity, and other deposits	12,05,500	6,04,500
	<u>1,03,00,25,320</u>	<u>75,54,88,902</u>

Note 13 : Trade receivables

	As at 31-Mar-18 In ₹	As at 31-Mar-17 In ₹
Outstanding for a period exceeding 6 months from the date they are due for payment		
Unsecured, considered good	–	–
Unsecured, considered doubtful	11,63,090	60,11,177
Less: Provision for doubtful debts	(1,44,685)	(52,63,348)
	10,18,405	7,47,829
Other debts		
Unsecured, considered good	76,72,85,421	54,06,38,316
	<u>76,83,03,826</u>	<u>54,13,86,145</u>

Note 14 : Cash and bank balances

	As at 31-Mar-18 In ₹	As at 31-Mar-17 In ₹
Cash and cash equivalents		
Cash on hand	39,520	5,75,748
Balance with banks		
In current accounts	1,19,95,400	5,27,31,669
Cheques in hand	2,18,646	–
	<u>1,22,53,566</u>	<u>5,33,07,417</u>

Note 15 : Short term loans and advances

	As at 31-Mar-18 In ₹	As at 31-Mar-17 In ₹
Others (Unsecured, considered good)		
Loan and advances to employees	12,92,640	75,00,904
Prepaid expenses	47,82,68,519	22,70,63,867
Indirect tax credit receivable	5,60,21,100	9,55,68,236
Other	1,19,23,437	54,26,979
TOTAL	<u>54,75,05,696</u>	<u>33,55,59,986</u>

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Summary of Significant Accounting Policies and Other Explanatory Information *(Contd..)*

Note 16 : Revenue from operations

	Year ended 31-Mar-18 In ₹	Year ended 31-Mar-17 In ₹
Investment management fees from :		
Mutual fund (net)	2,33,20,99,222	1,18,75,95,242
Alternate investment funds (net)	33,26,20,555	6,29,07,113
Investment advisory fees (net)	3,74,73,417	1,79,60,212
Portfolio management fees (net)	3,73,76,55,190	2,13,17,71,557
Other operating revenue	21,99,14,161	10,10,043
	6,65,97,62,545	3,40,12,44,167

Note 17 : Other income

	Year ended 31-Mar-18 In ₹	Year ended 31-Mar-17 In ₹
Miscellaneous amounts written back / (off) [net]	16,27,015	—
Provision no longer required written back	25,48,708	—
Gain on sale of current investments	1,79,87,645	96,28,612
Interest on income tax refund	5,71,956	18,75,565
Net gain/(loss) on foreign currency transactions and translation	(7,046)	2,895
Interest received on deposits with banks and others	73,493	7,01,565
Dividend on mutual fund	9,64,993	—
	2,37,66,764	1,22,08,637

Note 18 : Employee benefits expense

	Year ended 31-Mar-18 In ₹	Year ended 31-Mar-17 In ₹
Salary, bonus and allowances	40,55,87,153	28,19,63,133
Contribution to provident fund (also refer note 29)	29,82,485	29,16,078
Staff welfare expenses	85,98,434	53,09,322
Gratuity and other long term benefits (also refer note 29)	91,25,234	52,92,359
Employee stock option scheme (also refer note 28 and 33)	9,70,40,890	44,03,000
	52,33,34,196	29,98,83,892

Note 19 : Finance cost

	Year ended 31-Mar-18 In ₹	Year ended 31-Mar-17 In ₹
Interest cost	12,17,106	1,16,336
	12,17,106	1,16,336

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Summary of Significant Accounting Policies and Other Explanatory Information *(Contd..)*

Note 20 (a) : Operating expenses

	Year ended 31-Mar-18 In ₹	Year ended 31-Mar-17 In ₹
Distribution cost and spillover expense		
- for Mutual fund schemes	1,28,86,49,790	60,93,54,404
- for Portfolio management services	2,17,07,19,621	1,29,52,26,126
- for Alternate investment funds	23,72,28,616	8,92,49,019
Depository and processing charges	2,41,92,719	1,49,97,305
	<u>3,72,07,90,746</u>	<u>2,00,88,26,854</u>

Note 20 (b) : Other expenses

	Year ended 31-Mar-18 In ₹	Year ended 31-Mar-17 In ₹
Rent (also refer note 24)	7,36,17,340	4,09,49,371
Rates and taxes	26,484	23,894
Insurance	17,26,146	14,23,350
Computer maintenance	47,21,855	53,98,053
Registration and filing charges	89,062	1,66,213
Legal and professional fees	4,10,64,657	2,32,47,774
Auditors' remuneration (also refer note 22)	8,63,900	1,38,104
Marketing and brand promotion expenses	12,54,97,687	9,43,85,505
Advertisement expenses	15,44,63,496	8,73,67,210
Printing and stationery	1,20,63,396	1,08,12,935
Power and fuel	83,48,083	53,35,636
Communication expenses	1,07,87,935	66,82,328
Travelling and conveyance expenses	3,02,49,007	2,48,33,767
Stamp and postage charges	1,61,29,443	1,06,10,419
Entertainment expenses	1,02,02,052	93,03,999
Data processing charges	63,52,132	40,43,116
Miscellaneous expenses	1,87,13,672	60,72,718
Corporate social responsibility expense (also refer note 27)	93,72,339	28,95,000
Bad debts written off	24,62,637	6,01,941
Provision for doubtful debts	(18,22,326)	52,63,348
	<u>52,49,28,997</u>	<u>33,95,54,681</u>

Note 21 : Due to Micro, Small and Medium Enterprises

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than forty five days as at the balance sheet date. The Micro, Small and Medium Enterprises have been identified on the basis of the information provided by the vendors to the Company. Further, no interest during the year has been paid or payable in respect thereof.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Summary of Significant Accounting Policies and Other Explanatory Information *(Contd..)*

Note 22 : Auditor's remuneration (excluding taxes) has been classified as under

Particulars	Year ended 31-Mar-18 In ₹	Year ended 31-Mar-17 In ₹
As Auditors:		
Statutory audit	8,49,500	1,03,054
Out of pocket expenses	14,400	–
Other matters	–	35,050
	8,63,900	1,38,104

Note 23 : Provisions made comprises of for the year ended 31 March 2018

(In ₹)

Particulars	Opening balance as at 1-Apr-17	Provided during the financial year	Provision reversed/paid during the financial year	Closing balance as at 31-Mar-2018
Ex-gratia	9,05,11,815	14,46,27,909	9,03,75,315	14,47,64,409
Gratuity	96,32,819	82,21,730	8,62,067	1,69,92,482
Compensated absences	4,19,800	19,79,257	16,20,399	7,78,658
Heritage club	9,89,076	–	85,572	9,03,504
Total	10,15,53,510	15,48,28,896	9,29,43,353	16,34,39,053

For the year ended 31 March 2017

(₹ in Rupees)

Particulars	Opening balance as at 1-Apr-17	Provided during the financial year	Provision reversed/paid during the financial year	Closing balance as at 31-Mar-2018
Ex-gratia	6,22,45,057	6,83,45,907	4,00,79,149	9,05,11,815
Gratuity	64,80,672	52,92,359	21,40,212	96,32,819
Compensated absences	3,40,358	4,19,800	3,40,358	4,19,800
Heritage	–	9,89,076	–	9,89,076
Total	6,90,66,087	7,50,47,142	4,25,59,719	10,15,53,510

Note 24 : Leases

The Company has entered into five cancellable operating lease for office premises at various locations. However, the management has not entered into any non-cancellable lease agreement.

General description of lease terms: (in respect of assets taken on lease under cancellable operating lease)

- Lease rentals are paid on the basis of agreed terms
- Office premises are taken on lease for a period of 3 to 5 years
- Agreement is cancellable, by giving prior notice of 30 days by either of the parties

Particulars	Year ended 31-Mar-18 In ₹	Year ended 31-Mar-17 In ₹
Lease payments recognised in the Statement of Profit and Loss under the head "Rent"	7,36,17,340	4,09,49,371

NOTES TO FINANCIAL STATEMENT (Contd..)

Summary of Significant Accounting Policies and Other Explanatory Information (Contd..)

Note 25 : Segment Reporting

In accordance with Accounting Standard on "Segment Reporting" (AS-17) issued by the Institute of Chartered Accountants of India, the Company has determined business segment as under.

The business segment has been considered as the primary segment for disclosure. The primary business of the Company comprises of "Asset management and advisory" and "Fund based activities". 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. Asset management and advisory includes fee based services for management of assets. Fund based activities includes investment activities in non-current investment of mutual funds.

Secondary segment reporting does not require separate disclosure as all activities of the Company are within India.

The accounting principles consistently used in the preparation of the financial statement 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.

Current assets, non current assets, current liabilities and non current 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 ₹)

Particulars	Asset Management and Advisory Activities		Fund Based activities		Unallocated Activities		Total	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Revenue :								
External revenue	6,44,40,17,062	3,40,12,47,061	21,99,14,160	-	1,95,98,087	1,22,05,743	6,68,35,29,309	3,41,34,52,804
Inter-segment revenue	-	-	-	-	-	-	-	-
Total revenue	6,44,40,17,062	34,01,247,061	21,99,14,160	-	1,95,98,087	1,22,05,743	6,68,35,29,309	3,41,34,52,804
Result :								
Segment result	1,68,01,18,595	74,98,14,278	21,96,27,533	-	1,95,98,087	1,22,05,743	1,89,97,46,128	74,98,14,278
Unallocated corporate expenses	-	-	-	-	-	-	1,02,36,239	30,33,104
Unallocated revenue	-	-	-	-	-	-	1,95,98,087	1,22,05,743
Operating profit							1,90,91,07,976	75,89,86,915
Interest expenses	-	-	-	-	-	-	12,17,106	1,16,336
Interest income	-	-	-	-	-	-	-	-
Tax expense :								
Current tax	-	-	-	-	-	-	40,65,79,580	16,30,78,406
Deferred tax	-	-	-	-	-	-	21,73,83,505	23,14,08,131
MAT credit utilised	-	-	-	-	-	-	1,01,08,045	(4,56,40,746)
Income tax for earlier years	-	-	-	-	-	-	(25,86,543)	(8,75,29,441)
MAT credit adjustments of previous year	-	-	-	-	-	-	(3,83,19,782)	-
Profit from Ordinary Activities							1,31,47,26,065	49,75,54,228
Extra-ordinary / exceptional items	-	-	-	-	-	-	-	-
Profit after tax							1,31,47,26,065	49,75,54,228
Other information :								
Segment assets	2,20,72,61,296	1,55,33,89,477	1,97,12,35,567	66,90,00,000	18,20,79,781	15,84,01,690	4,36,05,76,644	2,38,07,91,167
Segment Liabilities	1,14,79,05,742	78,31,21,741	-	-	50,92,81,520	24,40,26,207	1,65,71,87,262	1,02,71,47,948
Capital Expenditure	62,06,919	73,07,959	-	-	-	-	62,06,919	73,07,959
Depreciation	53,67,395	62,00,463	-	-	-	-	53,67,395	62,00,463
Non-cash expenses other than depreciation	6,40,311	58,65,289	-	-	-	-	6,40,311	58,65,289

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Summary of Significant Accounting Policies and Other Explanatory Information *(Contd..)*

Note 26 : Earnings per share

Basic earnings per share

Particulars	Year ended 31-Mar-18 In ₹	Year ended 31-Mar-17 In ₹
Profit attributable to equity shareholders (in Rupees) [A]	1,31,47,26,064	49,75,54,228
Nominal value per share (in Rupees)	1	1
Weighted average number of equity shares outstanding during the year [B]	65,03,91,781	65,00,00,000
Basic earnings per share [A] / [B] (in Rupees)	2.02	0.77

Diluted earnings per share

Particulars	Year ended 31-Mar-18 In ₹	Year ended 31-Mar-17 In ₹
Profit attributable to equity shareholders (in Rupees)	1,31,47,26,064	49,75,54,228
Less : Impact on profit due to exercise of diluted potential equity shares	–	–
Net profit attributable to equity shareholders for calculation of diluted earnings per share [A]	1,31,47,26,064	49,75,54,228
Weighted average number of equity shares used in computing basic earnings per share	65,03,91,781	65,00,00,000
Effect of potential equity shares for stock options outstanding	4,14,57,275	1,13,82,772
Weighted number of equity shares used in computing diluted earnings per share [B]	69,18,49,056	66,13,82,772
Diluted earnings per share (in Rupees) [A] / [B]	1.90	0.75

Note 27 : Corporate social responsibility

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from 01 April 2014. As per the provisions of the said section, the Company has undertaken the following CSR initiatives during the financial year 2017-18.

CSR initiatives majorly includes supporting under privileged in education, medical treatments, etc. and various other charitable and noble aids.

- Gross amount required to be spent by the Company during the year ₹ 77,68,616 (Previous year ₹ 26,66,491)
- Amount spent during the year on

(In ₹)

Particulars (current year)	Amount paid	Amount yet to be paid	Total
Construction / acquisition of any assets	–	–	–
On purposes other than above	93,72,339	–	93,72,339

Particulars (previous year)	Amount paid	Amount yet to be paid	Total
Construction / acquisition of any assets	–	–	–
On purposes other than above	28,95,000	–	28,95,000

Above includes a contribution of ₹ 73,22,339 (Previous year ₹ 17,00,000) to Motilal Oswal Foundation which is classified as related party under Accounting Standard 18- “ Related Party Disclosures”.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Summary of Significant Accounting Policies and Other Explanatory Information *(Contd..)*

Note 28 : Employee Stock Option Plan

a) Scheme details

The company has two stock option schemes

Motilal Oswal Asset Management Company Limited -Employees' Stock Option Scheme - I (ESOP - I)

The ESOP - I was approved by the Board of Directors at the allotment committee meeting on 22 July 2010 for grant of 20,00,000 equity shares of ₹ 10 each.

Motilal Oswal Asset Management Company Limited -Employees' Stock Option Scheme - II (ESOP - II)

The ESOP - II was approved by the Board of Directors at the allotment committee meeting on 26 June 2014 for grant of 32,50,000 equity shares of ₹ 10 each.

During the previous year ended 31 March 2017, the Company has sub divided ₹ 6,50,00,000 equity share of ₹ 10 each into 65,00,00,000 equity share of ₹ 1 each. Hence, the options granted are also sub-divided in the same proportion.

b) Compensation expenses arising on account of the share based payments

(In ₹)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Expenses arising from equity - settled share-based payment transactions	3,45,20,099	44,03,000

c) Fair value on the grant date

The fair value at grant date is determined using Black Scholes Model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. All the underlying assumption considered for fair valuation is based on Motilal Oswal Financial Services Limited (Holding Company of Motilal Oswal Securities Limited) fair valuation.

The model inputs for options granted includes:

Particulars	Scheme I	Scheme II
Date of grant	22-Jul-10	26-Jun-14
Date of board approval	21-Jul-10	21-Jul-11
Date of shareholder's approval	22-Jul-10	21-Jul-11
Number of options granted	1,82,00,000	3,12,50,000
Method of settlement	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
Risk free interest rate	6.97%	7.13%
Dividend yield	1%	1%
Expected volatility	40%	40%
Weighted average remaining contractual life		
Current year - granted but not vested	3.01 Years	8.91 Years
Current year - vested but not exercised	1.00 Year	1.00 Year
Weighted Average Share Price at the date of exercise for stock options exercised during the year	13.64	–
Weighted average remaining contractual life		
Previous year - granted but not vested	3.50 Years	2.20 Years
Previous year - vested but not exercised	1.00 Years	1.00 Years
Exercise Period	Within a period of 72 months from the date of vesting	Within a period of 84 months from the date of vesting

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Summary of Significant Accounting Policies and Other Explanatory Information *(Contd..)*

Particulars	Scheme I	Scheme II
Vesting Conditions	Vesting of Options would be subject to continued employment with the Company and/or its holding/subsidiary, and thus the Options would vest on passage of time. In addition to this, the Remuneration/Compensation Committee may also specify certain performance parameters subject to which the options would vest. In case of performance based vesting, the options would vest on achievement of performance parameters irrespective of the time horizon.	Vesting of Options would be subject to continued employment with the Company and/or its holding/subsidiary, and thus the Options would vest on passage of time. In addition to this, the Remuneration/Compensation Committee may also specify certain performance parameters subject to which the options would vest. In case of performance based vesting, the options would vest on achievement of performance parameters irrespective of the time horizon.
Weighted average fair value of options as on grant date	49.25	8.42

d) Movement in share option during the year

Particulars	As of 31-Mar-18		As of 31-Mar-17	
	Number of share options	Weighted average exercise price In ₹	Number of share options	Weighted average exercise price In ₹
ESOP I				
Balance at beginning of the year	1,70,00,000	13.03	17,00,000	1.00
Add: Granted during the year	–	NA	1,65,00,000	13.40
Less: Exercised during the year	5,00,000	1.00	–	NA
Less: Forfeited during the year	–	NA	5,50,000	1
Less: Lapsed during the year	–	NA	6,50,000	1
Balance at end of the year	1,65,00,000	13.40	1,70,00,000	13.03
Exercisable at end of the year	–	NA	5,00,000	1
ESOP II				
Balance at beginning of the year	3,12,50,000	2.41	2,92,50,000	1.677
Add: Granted during the year	–	NA	20,00,000	13.40
Less: Exercised during the year	–	NA	–	NA
Less: Forfeited during the year	–	NA	–	NA
Less: Lapsed during the year	57,36,376	1.37	–	NA
Balance at end of the year	2,55,13,624	2.75	3,12,50,000	2.41
Exercisable at end of the year	2,35,13,624	1.85	1,62,50,000	1.68

e) Exercise pricing formula

ESOP 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.

ESOP 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

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Summary of Significant Accounting Policies and Other Explanatory Information *(Contd..)*

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.

Note 29 : Employee benefits

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

Defined contribution plan:

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

(In ₹)

Particulars	Year ended 31-Mar-18	Year ended 31-Mar-17
Employers' contribution to provident fund	29,82,485	29,16,078

Defined benefit plan:

The Company provides for gratuity benefit which is a defined benefit plan covering all its eligible employees. This plan is unfunded. The gratuity benefits are subject to a maximum limit of upto ₹ 20,00,000.

The following table set out the status of the gratuity plan as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended) under Accounting Standard 15 "Employee benefits" and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

(In ₹)

Particulars	Gratuity (unfunded)		Other long term benefits	
	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17
I) Actuarial assumptions				
Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Discount Rate (per annum)	6.85%	6.96%	6.51%	6.69%
Rate of escalation in salary (per annum)	14.05%	13.00%	–	–
Expected rate of return on plan assets (per annum)	–	–	–	–
Employee Attrition Rate (Past Service)	PS: 0 to 37 : 21.94%	PS: 0 to 37 : 20.66%	PS: 0 to 40 : 28%	PS: 0 to 37 : 28% to 28.16%
Expected average remaining service	3.49	3.72	2.52 to 2.55	2.49 to 2.55
II) Changes in present value of defined benefit obligations (PVO)				
Liability at beginning of year	96,32,819	64,80,672	–	–
Interest cost	7,52,168	4,42,292	–	–
Current service cost	45,87,532	25,83,038	9,03,504	9,89,076
Past service cost - (non vested benefits)	1,36,791	–	–	–
Past service cost - (vested benefits)	23,99,747	–	–	–
Benefits paid	(8,62,067)	(11,51,136)	–	–
Actuarial loss on obligation	4,13,887	12,77,953	–	–
Unrecognised past service cost - (non vested benefits)	(68,395)	–	–	–
Liability at end of year	1,69,92,482	96,32,819	9,03,504	9,89,076
III) Changes in fair value of plan assets				
Fair value of plan assets at beginning of year	–	–	–	–
Expected return on plan assets	–	–	–	–

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Summary of Significant Accounting Policies and Other Explanatory Information *(Contd..)*

Particulars	Gratuity (unfunded)		Other long term benefits	
	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17
Contributions	8,62,067	11,51,136	–	–
Benefit paid	(8,62,067)	(11,51,136)	–	–
Actuarial Gain/(Loss) on plan assets	–	–	–	–
Fair Value of Plan Assets at end of year	–	–	–	–
IV) Expense recognised in the statement of profit and loss				
Current service cost	45,87,532	25,83,038	9,03,504	9,89,076
Interest cost	7,52,168	4,42,292	–	–
Past service cost - (non vested benefits)	1,36,791	–	–	–
Past service cost - (vested benefits)	23,99,747	–	–	–
Unrecognised past service cost - non vested benefits	(68,395)	–	–	–
Expected return on plan assets	–	–	–	–
Actuarial loss	4,13,887	12,77,953	–	–
Expense recognised in the statement of profit and loss	82,21,730	43,03,283	9,03,504	9,89,076
V) Movement in liability recognized in balance sheet				
Opening net liability	96,32,819	64,80,672	–	–
Expenses as above	82,21,730	43,03,283	9,03,504	9,89,076
Contribution paid	(8,62,067)	(11,51,136)	–	–
Closing net liability	1,69,92,482	96,32,819	9,03,504	9,89,076
VI) Disclosure in balance sheet				
Current liability	33,12,994	13,83,513	2,41,765	–
Non - current liability	1,36,79,488	82,49,306	6,61,739	9,89,076
VII) Past service cost recognised				
Past service cost - (non vested benefits)	1,36,791	–	–	–
Past service cost - (vested benefits)	23,99,747	–	–	–
“Average remaining future service till vesting of the benefit (in years)”	2	–	–	–
Recognised past service cost - non vested benefits	68,395	–	–	–
Recognised past service cost - vested benefits	23,99,747	–	–	–
Unrecognised past service cost - non vested benefits	68,395	–	–	–

Particulars	Gratuity (unfunded)				
	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-16	Year ended 31-Mar-15	Year ended 31-Mar-14
VIII) Experience adjustment					
Loss on obligation due to change in assumption	2,46,795	8,80,896	9,35,883	1,42,612	(6,36,787)
Experience loss on obligation	1,67,092	3,97,057	78,663	(50,768)	(6,19,077)

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Summary of Significant Accounting Policies and Other Explanatory Information *(Contd..)*

Note 30 : Transactions in foreign currency

(i) Earnings in foreign currency (on accrual basis)

Particulars	(In ₹)	
	Year ended 31-Mar-18	Year ended 31-Mar-17
Investment advisory fees	39,96,078	21,68,360

(ii) Expenditure in foreign currency (on accrual basis)

Particulars	(In ₹)	
	Year ended 31-Mar-18	Year ended 31-Mar-17
Travelling and conveyance expenses	71,40,982	37,38,413
Marketing and brand promotion expenses	5,50,800	9,20,813
Communication expenses	10,06,940	4,79,357
Legal and professional fees	29,74,677	29,77,927
Distribution cost and spillover expense:		
for Portfolio management services	72,37,951	–
for Mutual fund schemes	82,466	–
TOTAL	1,89,93,816	81,16,510

Note 31 : Related party disclosures

As per Accounting Standard 18 – Related Party Disclosures, specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended), the name of related party where control exists / able to exercise significant influence along with the transactions and year end balances with them as identified and certified by the management are as follows:

(A) List of related parties and their relationship

(i) Holding company

- Motilal Oswal Securities Limited

(ii) Holding company of Motilal Oswal Securities Limited

- Motilal Oswal Financial Services Limited

(iii) Ultimate holding company

- Passionate Investment Management Private Limited

(iv) Wholly owned subsidiaries

- Motilal Oswal Asset Management (Mauritius) Private Limited
- Motilal Oswal Capital Limited

(v) Fellow subsidiaries

- Motilal Oswal Capital Markets Limited (formerly known as Motilal Oswal Capital Markets Private Limited)
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Fincap Private Limited (formerly known as Motilal Oswal Insurance Brokers Private Limited)
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisors Limited
- MOPE Investment Advisors Private Limited
- Motilal Oswal Wealth Management Limited
- Motilal Oswal Securities International Private Limited
- Motilal Oswal Capital Market (Hongkong) Private Limited
- Motilal Oswal Capital Markets (Singapore) Pte. Limited

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Summary of Significant Accounting Policies and Other Explanatory Information *(Contd..)*

- Aspire Home Finance Corporation Limited
- Motilal Oswal Real Estate Investment Advisors Private Limited
- Motilal Oswal Real Estate Investment Advisors II Private Limited
- India Business Excellence Management Company
- Nagori Agro & Cattle Feeds Private Limited

(vi) Key Management Personnel (KMP)

- Raamdeo Agrawal – Director
- Aashish Somaiya – Managing Director upto 31 January 2018 close of business hours
- Re-designated as Chief Executive Officer w.e.f. 31 January 2018 close of business hours
- Sameer Kamath - Resigned as Chief Financial Officer w.e.f. 24 April 2017
- Yatin Dolia - Appointed as Chief Financial Officer w.e.f. 24 October 2017
- Aparna Karmase - Appointed as Company Secretary w.e.f. 25 January 2017

(vii) Relative of KMP

- Suneeta Agrawal (wife of Raamdeo Agrawal)
- Vaibhav Agrawal (son of Raamdeo Agrawal)

(viii) Enterprises in which KMP and their relatives exercise significant influence

- Motilal Oswal Foundation

(ix) Enterprises in which KMP have control

- OSAG Enterprises LLP

(B) Transactions with related parties

(In ₹)

Nature of transactions	Name of the Related party	Holding Company / Subsidiary Company / Fellow Subsidiary (A)		Key Managerial Personnel / Relative of KMP (B)		Total (A+B)	
		Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17
Interest paid	Motilal Oswal Financial Services Limited	12,17,106	1,16,336	–	–	12,17,106	1,16,336
Rent paid	Motilal Oswal Financial Services Limited	5,45,33,255	3,13,63,010	–	–	5,45,33,255	3,13,63,010
	Motilal Oswal Securities Limited	1,80,24,301	90,12,150	–	–	1,80,24,301	90,12,150
Marketing and brand promotion expenses	Motilal Oswal Wealth Management Limited	16,42,588	–	–	–	16,42,588	–
Distribution cost expense for mutual fund schemes	Motilal Oswal Securities Limited	8,76,97,551	5,33,53,564	–	–	8,76,97,551	5,33,53,564
Distribution cost expense for portfolio management services	Motilal Oswal Securities Limited	58,94,80,832	36,83,66,255	–	–	58,94,80,832	36,83,66,255
Business support charges	Motilal Oswal Securities Limited	–	1,45,82,830	–	–	–	1,45,82,830
Distribution cost expense for portfolio management services	Motilal Oswal Wealth Management Limited	31,93,59,288	30,79,22,462	–	–	31,93,59,288	30,79,22,462
Distribution cost expense for mutual fund schemes	Motilal Oswal Wealth Management Limited	5,73,74,750	2,94,61,738	–	–	5,73,74,750	2,94,61,738
Set up fees paid for Alternate Investment Fund	Motilal Oswal Securities Limited	4,77,09,660	1,53,00,000	–	–	4,77,09,660	1,53,00,000
	Motilal Oswal Wealth Management Limited	1,32,25,000	1,06,35,000	–	–	1,32,25,000	1,06,35,000

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Summary of Significant Accounting Policies and Other Explanatory Information *(Contd..)*

Nature of transactions	Name of the Related party	Holding Company / Subsidiary Company / Fellow Subsidiary (A)		Key Managerial Personnel / Relative of KMP (B)		Total (A+B)	
		Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17	Year ended 31-Mar-18	Year ended 31-Mar-17
Distribution cost expense for Alternate Investment Fund schemes	Motilal Oswal Securities Limited	3,12,15,582	2,37,136	–	–	3,12,15,582	2,37,136
	Motilal Oswal Wealth Management Limited	2,23,49,409	1,97,157	–	–	2,23,49,409	1,97,157
Marketing commission	Motilal Oswal Wealth Management Limited	–	43,96,663	–	–	–	43,96,663
Investment advisory fees received	Motilal Oswal Asset Management (Mauritius) Private Limited	(8,35,651)	(10,97,758)	–	–	(8,35,651)	(10,97,758)
	Motilal Oswal Wealth Management Limited	(52,13,599)	(21,45,160)	–	–	(52,13,599)	(21,45,160)
Investment advisory fees	Motilal Oswal Capital Limited	(8,92,559)	–	–	–	(8,92,559)	–
Security deposit paid	Motilal Oswal Financial Services Limited	88,84,614	2,20,83,940	–	–	88,84,614	22,083,940
Portfolio management fees	Raamdeo Agarwal	–	–	1,02,736	38,365	1,02,736	38,365
	Suneeta Agarwal	–	–	35,33,259	15,70,032	35,33,259	15,70,032
	Vaibhav Agarwal	–	–	13,48,542	–	13,48,542	–
Reimbursement of electricity charges	Motilal Oswal Financial Services Limited	–	5,23,627	–	–	–	5,23,627
	Motilal Oswal Securities Limited	82,96,972	47,73,875	–	–	82,96,972	47,73,875
Reimbursement of common cost allocated	Motilal Oswal Financial Services Limited	–	2,32,939	–	–	–	2,32,939
	Motilal Oswal Securities Limited	59,71,025	32,61,727	–	–	59,71,025	32,61,727
Employee compensation - Managerial remuneration including ESOP perquisite	Aashish Somaiyaa (01 April 2017 to 31 January 2018)	–	–	2,56,16,748	–	2,56,16,748	–
	Aashish Somaiyaa (01 February 2018 to 31 March 2018)	–	–	25,56,87,517	2,36,82,176	25,56,87,517	2,36,82,176
	Yatin Dolia	–	–	24,47,337	–	24,47,337	–
Subscription to equity share capital	Motilal Oswal Capital Limited	–	10,00,000	–	–	–	10,00,000
	Motilal Oswal Asset Management (Mauritius) Private Limited	32,41,905	1,32,90,750	–	–	32,41,905	1,32,90,750
Loan taken during the year	Motilal Oswal Financial Services Limited	(1,39,75,00,000)	(31,50,00,000)	–	–	(1,39,75,00,000)	(31,50,00,000)
Loan repaid during the year	Motilal Oswal Financial Services Limited	1,39,75,00,000	31,50,00,000	–	–	1,39,75,00,000	31,50,00,000
Expenditure for options granted to employees of Company	Motilal Oswal Financial Services Limited	6,25,20,791	–	–	–	6,25,20,791	–
Corporate Social Responsibility expenditure	Motilal Oswal Foundation	73,22,339	17,00,000	–	–	73,22,339	17,00,000

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Summary of Significant Accounting Policies and Other Explanatory Information *(Contd..)*

(B) Outstanding balances of / with related parties :

(In ₹)

Nature of transactions	Name of the Related party	Holding Company / Subsidiary Company / Fellow Subsidiary (A)		Key Managerial Personnel / Relative of KMP (B)		Total (A+B)	
		As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-18	As at 31-Mar-17
Interest payable	Motilal Oswal Financial Services Limited	(5,53,993)	(13,253)	–	–	(5,53,993)	(13,253)
Deposits	Motilal Oswal Financial Services Limited	3,09,68,554	2,20,83,940	–	–	3,09,68,554	2,20,83,940
	Motilal Oswal Securities Limited	90,12,150	90,12,150	–	–	90,12,150	90,12,150
Rent payable	Motilal Oswal Securities Limited	(43,11,930)	(38,26,358)	–	–	(43,11,930)	(38,26,358)
Trade receivables	Motilal Oswal Asset Management (Mauritius) Private Limited	–	10,97,758	–	–	–	10,97,758
Trade payables	Motilal Oswal Wealth Management Limited	(5,90,73,985)	(8,54,30,749)	–	–	(5,90,73,985)	(8,54,30,749)
	Motilal Oswal Financial Services Limited	(1,34,575)	–	–	–	(1,34,575)	–
	Motilal Oswal Securities Limited	(7,20,49,264)	(9,00,46,735)	–	–	(7,20,49,264)	(9,00,46,735)
Other receivables	Motilal Oswal Capital Limited	9,93,008	98,200	–	–	9,93,008	98,200
Employee stock option charges payable	Motilal Oswal Financial Services Limited	(5,48,50,323)	–	–	–	(5,48,50,323)	–
Investments	Motilal Oswal Asset Management (Mauritius) Private Limited	1,65,32,655	1,32,90,750	–	–	1,65,32,655	1,32,90,750
	Motilal Oswal Capital Limited	10,00,000	10,00,000	–	–	10,00,000	10,00,000
	Aspire Home Finance Corporation Limited	10	10	–	–	10	10

Note: Income/receipts and payables are shown in brackets.

Note 32 : Impact of change in accounting policy

Effective 01 April 2017, the Company has changed its accounting policy for ESOPs valuation from intrinsic value method to fair value method for more appropriate presentation of financial statement. The change is applied retrospectively, accordingly accumulated expense of ₹ 9,56,67,587 Lakhs has been debited to the Statement of profit and loss of the year ended 31 March 2018. The profit before tax would have been higher by ₹ 9,56,67,587 Lakhs for the year ended 31 March 2018, had the Company continued to use the earlier method of accounting.

Note 33 : ESOP expense to Ultimate Holding Company

Motilal Oswal Financial Services Limited has granted options to the eligible employees of the Company. Consequent to the above, Motilal Oswal Financial Services Limited has granted stock options to the employees of the Company. The Company has reimbursed the ultimate holding company in current year ₹ 62,520,791 (previous year ₹ Nil) on account of such costs and the same is forming part of employee costs and included under the head "Employee benefits expense" in Note 18.

Note 34 : Contingent liabilities

There are no contingent liabilities as at the balance sheet date.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Summary of Significant Accounting Policies and Other Explanatory Information *(Contd..)*

Note 35 : Capital commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for is ₹ 22,98,925 (previous year: ₹ 15,34,337).

Note 36 : Unhedged foreign currency

The Company is not having any unhedged foreign currency exposure as on 31 March 2018.

Note 37 :

Previous year figures have been regrouped/rearranged where necessary to confirm to year's classification.

As per our attached report of even date

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Khushroo B. Panthaky

Partner

Membership No. 42423

Place : Mumbai

Dated : 26th April, 2018

For and on behalf of the Board of Directors of

Motilal Oswal Asset Management Company Limited

Raamdeo Agarawal

Director

DIN: 0024533

Aparna Karmase

Company Secretary & Compliance Officer

Place : Mumbai

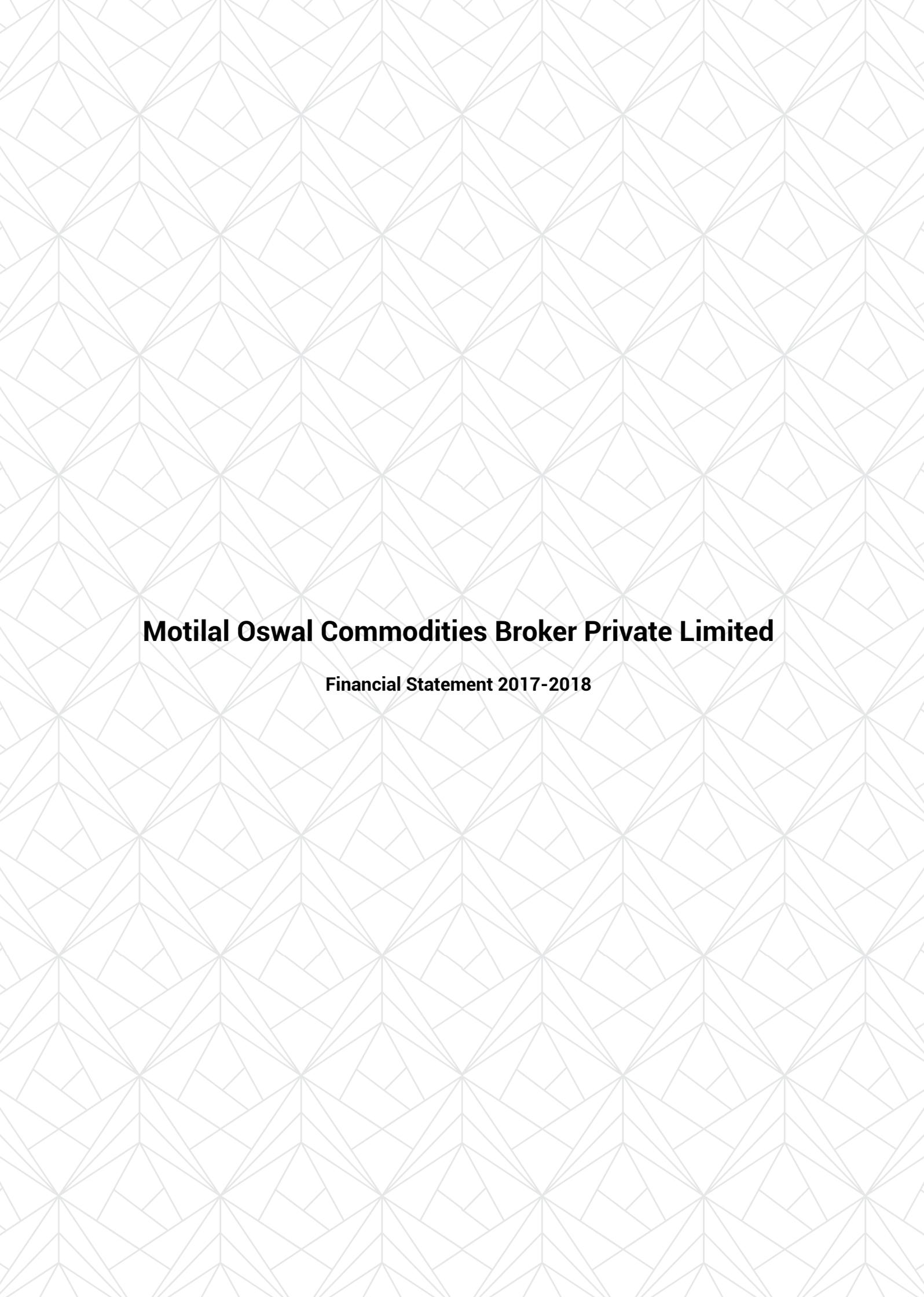
Dated : 26th April, 2018

Aashish Somaiyaa

Chief Executive Officer

Yatin Dolia

Chief Financial Officer



Motilal Oswal Commodities Broker Private Limited

Financial Statement 2017-2018

INDEPENDENT AUDITORS' REPORT

The MEMBERS of **MOTILAL OSWAL COMMODITIES BROKER PRIVATE LIMITED**

REPORT ON THE STANDALONE FINANCIAL STATEMENT

We have audited the accompanying financial statement of MOTILAL OSWAL COMMODITIES BROKER PRIVATE LIMITED ('the Company'), which comprise the balance sheet as at 31st March 2018, the statement of profit and loss, the statement of cash flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENT

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statement that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

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

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

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

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the financial position of the Company as at 31 March, 2018, its Profits and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

- (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the balance sheet, the statement of profit and loss, the statement of cash flows are in agreement with the books of account;
- (d) in our opinion, the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
- (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company did not have any long-term contracts including derivative contracts for which any material foreseeable losses on in financial statement;
 - ii. there were no amount which required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iii. the Company has provided requisite disclosures in its financial statement as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company.

For **Aneel Lasod And Associates**

Chartered Accountants

Firm Registration No.: 124609W

Aneel Lasod

(Partner)

M.No.: 040117

Place: Mumbai

Date: 19th May, 2018

ANNEXURE "A" TO AUDITOR'S REPORT:

Annexure referred to in our report to the members of MOTILAL OSWAL COMMODITIES BROKER PRIVATE LIMITED for the year ended March 31, 2018.

We report that:

1. Fixed Assets:

- a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. The fixed assets were physically verified by the management at reasonable intervals and no discrepancies were noticed with that stated in the books of accounts.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.

2. Inventories:

According to the information and explanations given to us, there are no inventories on the Balance sheet date; therefore this clause is not applicable.

3. Loans and Advances:

The Company has not granted any secured or unsecured loan to its holding company covered in the register maintained under section 189 of the Companies Act, 2013; therefore this clause is not applicable

4. Compliance of section 185 and 186 of the Companies Act, 2013:-

According to the information and explanations given to us; in respect of loans, investments, guarantees and security given by the company are in compliance with the provisions of Section 185 and 186 of the Companies Act, 2013.

5. Deposits from Public:

In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the "public" attracting the provisions of Sections 73 and 76 of the Companies Act, 2013 or the rules framed there under.

6. Cost Records:

The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for any of the activities conducted/services rendered by the Company. Accordingly Para 3(vii) of the Order is not applicable.

7. Statutory Records:

- a. According to the records of the Company and according to the information and explanations provided to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Professional Tax, and any other statutory dues wherever applicable with the appropriate authorities.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Professional Tax, and any other statutory dues were outstanding as at 31st March 2016 for a period of more than six months from the date they became payable.
- c. According to the information and explanations given to us, there are no dues of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Professional Tax, SEBI turnover fees and any other statutory dues, which have not been deposited on account of any dispute.

8. Repayment of Dues:

According to the information and explanations given to us, there being no borrowings taken from any financial institution or bank and the company has not issued any debentures; therefore this clause is not applicable.

9. IPO or further public offer:

According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer (IPO) or further public offer (including debt instruments); therefore this clause is not applicable.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

10. Fraud:

Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company or by its officers or employees has been noticed or reported during the year.

11. Managerial Remuneration:

According to the information and explanations given to us, the Company has not paid or provided any managerial remuneration; therefore this clause is not applicable.

12. Nidhi Company:

The Company is not regulated by the provisions of Nidhi Company; therefore this clause is not applicable.

13. Related Party Transaction:

According to the information and explanations given to us all the transactions with the related parties are in compliance with Section 177 and Section 188 of the Companies Act, 2013 wherever applicable the details have been disclosed in the Financial Statement etc. as required by accounting standard (AS) 18- Related Party Transaction.

14. Private Placement/ Preferential Allotment:

According to the information and explanations given to us the company has not made any Preferential Allotment/private placement of shares or fully or partly convertible debentures during the year; therefore this clause is not applicable.

15. Non cash transactions:

According to the information and explanations given to us the company has not entered into non cash transactions with directors or persons connected with him as covered under section 192 of the Companies Act, 2013; therefore this clause is not applicable.

16. Registration with Reserve Bank of India:

The Company is not a Non-Banking Financial Company therefore the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934; therefore this clause is not applicable.

For **Aneel Lasod And Associates**

Chartered Accountants

Firm Registration No.: 124609W

Aneel Lasod

(Partner)

M.No.: 040117

Place: Mumbai

Date: 19th May, 2018

ANNEXURE “B” TO AUDITOR’S REPORT:

The MEMBERS of MOTILAL OSWAL COMMODITIES BROKERS PRIVATE LIMITED

Report on the Internal Financial Controls over financial reporting under clause (i) of Sub-section 3 of section 143 of Companies Act, 2013 (“the Act”):

We have audited the internal financial controls over financial reporting of MOTILAL OSWAL COMMODITIES BROKERS PRIVATE LIMITED (“the Company”) as of 31st March 2018 in conjunction with our audit of the standalone financial statement of the company for the year ended on that date.

Management’s Responsibility for the Internal Financial Controls:

The Company’s management is responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the guidance notes on Audit of Internal Financial

Controls over Financial Reporting issued by The Institute of Chartered Accountants of India (ICAI). These responsibility include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies ,the safeguarding of its assets, the prevention and detection of frauds and errors ,the accuracy and completeness of the accounting records ,and the timely preparation of financial information , as required under the Companies Act, 2013.

Auditor’s Responsibility:

Our responsibility is to express an opinion on these Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance notes on Audit of internal financial controls over financial reporting and Standards on Auditing to the extent applicable to an audit of internal financial controls, both issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material 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 judgment including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error.

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 system over financial reporting.

Meaning of Internal Financial Control Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparations of financial statement for external purpose in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting include those policies and procedures that (1) pertain to the maintenance of record that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company; (2) provide reasonable assurance that transaction are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company’s assets that could have a material effect on the financial statement.

Inherent Limitations of Internal Financial Controls Over Financial Reporting;

Because of the inherent limitations of internal financial controls over financial reporting , including the possibility of collusion or improper management override of controls , material misstatement due to error or fraud may occur and not to be detected . Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial

INDEPENDENT AUDITORS' REPORT *(Contd..)*

reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For **Aneel Lasod And Associates**

Chartered Accountants

Firm Registration No.: 124609W

Aneel Lasod

(Partner)

M.No.: 040117

Place: Mumbai

Date: 19th May, 2018

BALANCE SHEET

BALANCE SHEET AS AT 31 MARCH 2018

	Note No.	As at 31-Mar-2018 (In ₹)	As at 31-Mar-2017 (In ₹)
I. EQUITY & LIABILITIES			
(1) Share Holder's Funds :			
Share Capital	1	41,00,440	41,00,440
Reserve and Surplus	2	21,18,72,069	17,39,99,613
(2) Non Current Liabilities			
Long-term Provision	3	18,85,603	20,50,239
(3) Current Liabilities			
Short term borrowings	4	15,72,00,000	—
Trade Payables	5	3,27,26,00,892	2,92,18,96,777
Other current liabilities	6	10,85,39,708	26,29,30,515
Short term provisions	7	1,89,63,003	1,03,95,132
TOTAL		3,77,51,61,715	3,37,53,72,716
II. ASSETS			
(1) Non - Current Assets			
Property Plant and Equipments	8		
(i) Tangible Assets		11,34,121	6,54,716
(ii) Intangible Assets		1,385	71,224
Non-current Investment	9	5,00,00,000	5,00,00,000
Deferred tax assets (net)	10	38,02,038	35,39,270
Long term loans and advances	11	60,46,001	60,39,192
Other non current assets	12	—	3,350,000
(2) Current Assets			
Inventories	13	44,116	44,116
Trade Receivables	14	2,58,07,88,023	2,57,94,31,209
Cash & bank balances	15	1,01,06,41,991	60,58,03,326
Short term loans & advances	16	10,24,45,319	11,15,08,316
Other current assets	17	2,02,58,722	1,49,31,347
TOTAL		3,77,51,61,715	3,37,53,72,716

Notes referred to above form an integral part of the Financial Statement

As per our attached report of even date

For Aneel Lasod and Associates
Chartered Accountants
Firm Registration No. 124609W

Aneel Lasod
Partner
M. No: 40117

Place : Mumbai
Dated : 19th May 2018

For and on behalf of the Board of
Motilal Oswal Commodities Broker Private Limited

Ajay Menon
Director
DIN: 00024589

Place : Mumbai
Dated : 19th May 2018

Kishore Narne
Director
DIN: 07974034

STATEMENT OF PROFIT AND LOSS

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2018

	Note No.	For the Year ended 31-Mar-2018 (In ₹)	For the Year ended 31-Mar-2017 (In ₹)
INCOME			
Revenue from operations	18	19,98,33,968	17,37,81,289
Other income	19	–	17,79,890
Gross revenue		19,98,33,968	17,55,61,179
EXPENDITURE			
Employee benefits	20	5,54,18,741	5,11,68,992
Finance costs	21	2,11,62,417	1,36,30,458
Depreciation and amortization expenses	8	8,03,925	15,59,440
Other expenses	22	7,34,60,705	7,48,50,153
TOTAL EXPENSES		15,08,45,788	14,12,09,044
Profit before tax		4,89,88,180	3,43,52,135
Less: Provision for Taxation			
i) Current tax		1,13,78,492	–
ii) Deferred tax		(2,62,768)	1,45,35,928
iii) Previous Years Short /(Excess)		–	2,61,980
Profit/(Loss) After Tax		3,78,72,456	1,95,54,227
Earnings/(Loss) Per Share (₹)			
Basic and diluted Earnings/(Loss) per share (Face value of ₹ 10 each)		92.36	47.69

Notes referred to above form an integral part of this Financial Statement

As per our attached report of even date

For Aneel Lasod and Associates

Chartered Accountants

Firm Registration No. 124609W

Aneel Lasod

Partner

M. No: 40117

Place : Mumbai

Dated : 19th May 2018

For and on behalf of the Board of

Motilal Oswal Commodities Broker Private Limited

Ajay Menon

Director

DIN: 00024589

Place : Mumbai

Dated : 19th May 2018

Kishore Narne

Director

DIN: 07974034

CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2018

Particulars	For the Year ended 31-Mar-2018 (In ₹)	For the Year ended 31-Mar-2017 (In ₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	4,89,88,180	3,43,52,136
Adjustment for		
Interest expense	2,11,62,417	1,36,30,458
Profit on sale of fixed assets	–	(17,79,890)
Depreciation	8,03,925	15,59,440
Provision for Bad & Doubtful debts	6,30,246	(4,70,97,365)
Bad debts written off	54,902	5,20,47,034
Adjustment for working capital changes		
Increase/(Decrease) Other Long Term Provisions	(1,64,636)	4,93,139
Increase/(Decrease) Current Liabilities & Provisions	20,48,81,179	26,83,48,769
(Increase)/Decrease In Current Assets	16,86,852	(18,14,315)
CASH GENERATED FROM OPERATIONS	27,80,43,065	31,97,39,406
Taxes Paid (Net of Refunds)	(1,13,78,492)	(2,61,980)
NET CASH FROM OPERATING ACTIVITIES	26,66,64,572	31,94,77,426
CASH FLOW FROM FINANCING ACTIVITIES		
Loan from holding company	15,72,00,000	(1,66,275)
Interest paid	(2,11,62,417)	(1,36,30,458)
NET CASH FLOW FROM FINANCING ACTIVITIES	13,60,37,583	(1,37,96,733)
NET CASH FLOW FOR THE YEAR ENDED	40,48,38,664	30,77,36,497
Cash & Cash Equivalents comprise of		
Cash on hand	2,94,000	–
Scheduled Bank - In Current Account	7,40,45,177	4,92,88,781
Fixed Deposit with Banks	53,14,64,149	24,87,78,049
Total Cash & Cash Equivalents as at beginning of year	60,58,03,326	29,80,66,830
Cash & Cash Equivalents as at end of year :		
Cash on hand	1,04,000	2,94,000
Scheduled Bank - In Current Account	9,64,09,841	7,40,45,177
Fixed Deposit with Banks	91,41,28,150	53,14,64,149
Total Cash & Cash Equivalents as at end of year	1,01,06,41,991	60,58,03,326

As per our attached report of even date

For Aneel Lasod and Associates
Chartered Accountants
Firm Registration No. 124609W

Aneel Lasod
Partner
M. No: 40117
Place : Mumbai
Dated : 19th May 2018

For and on behalf of the Board of
Motilal Oswal Commodities Broker Private Limited

Ajay Menon
Director
DIN: 00024589
Place : Mumbai
Dated : 19th May 2018

Kishore Narne
Director
DIN: 07974034

NOTES TO FINANCIAL STATEMENT

NOTE 1 : SHARE CAPITAL

	As at 31-Mar-2018		As at 31-Mar-2017	
	In Numbers	In ₹	In Numbers	In ₹
Authorised				
5,00,000 Equity shares of ₹ 10/- each	5,00,000	50,00,000	5,00,000	50,00,000
6,00,000 Preference shares of ₹ 10/- each	6,00,000	60,00,000	6,00,000	60,00,000
TOTAL	11,00,000	1,10,00,000	11,00,000	1,10,00,000
Issued, Subscribed & paid up				
4,10,044 Equity shares of ₹ 10/- each	4,10,044	41,00,440	4,10,044	41,00,440
TOTAL	4,10,044	41,00,440	4,10,044	41,00,440

Rights, preferences and restrictions attached to shares

Equity Shares :

The Company has only one class of shares referred to as equity shares having a par value of 10/-. Each holder of equity shares is entitled to one vote per share.

Reconciliation of the number of shares outstanding

	As at 31-Mar-2018		As at 31-Mar-2017	
	In Numbers	In ₹	In Numbers	In ₹
Number of shares at the beginning	4,10,044	41,00,440	4,10,044	41,00,440
Number of share at the end of the year	4,10,044	41,00,440	4,10,044	41,00,440

Details of shares held by share holders holding more than 5% of the aggregate shares in the company

	As at 31-Mar-2018		As at 31-Mar-2017	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Motilal Oswal Financial Services Ltd., the Holding Company	4,10,044	100.00	4,00,000	100.00

NOTE 2: RESERVES AND SURPLUS

	As at 31-Mar-2018		As at 31-Mar-2017	
	In ₹		In ₹	
Capital redemption reserve				
Balance b/f		60,00,000		60,00,000
Addition during the year		—		—
Balance as at end of the year		60,00,000		60,00,000
General reserves				
Balance b/f		2,00,000		2,00,000
Addition during the year		—		—
Balance as at end of the year		2,00,000		2,00,000
Surplus- Opening Balance		16,77,99,613		14,82,45,386
Add: Net profit after tax transferred from statement of profit and loss		3,78,72,456		1,95,54,227
Amount available for appropriation		20,56,72,069		16,77,99,613
Balance in profit and loss account		20,56,72,069		16,77,99,613
TOTAL		21,18,72,069		17,39,99,613

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 3 : LONG TERM PROVISIONS

	As at 31-Mar-2018 In ₹	As at 31-Mar-2017 In ₹
Provision for employee benefits:-		
Provision for gratuity (refer note 30 and 33)	18,85,603	20,50,239
TOTAL	18,85,603	20,50,239

NOTE 4 : SHORT TERM BORROWINGS

	As at 31-Mar-2018 In ₹	As at 31-Mar-2017 In ₹
Unsecured, considered good:		
Loans from holding company (refer note no 28)	15,72,00,000	—
TOTAL	15,72,00,000	—

Above loan is repayable on demand

NOTE 5 : TRADE PAYABLES

	As at 31-Mar-2018 In ₹	As at 31-Mar-2017 In ₹
Creditors	79,67,22,963	44,60,18,801
Other trade payables	2,47,58,77,928	2,47,58,77,976
TOTAL	3,27,26,00,892	2,92,18,96,777

NOTE 6 : OTHER CURRENT LIABILITIES

	As at 31-Mar-2018 In ₹	As at 31-Mar-2017 In ₹
Accrued salaries & benefits	13,562	—
For other liabilities		
- Withholding and other taxes payable	8,58,616	55,33,180
- Margin money	3,46,54,225	18,47,21,902
- Other payables	7,30,13,306	7,26,75,434
TOTAL	10,85,39,708	26,29,30,515

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 7 : SHORT TERM PROVISIONS

	As at 31-Mar-2018 In ₹	As at 31-Mar-2017 In ₹
Provision for employee benefits : (Refer note 2(i))		
Provision for gratuity (Refer note 30)	5,60,249	2,55,293
Provision for employee benefits (Ex-gratia)(refer note 30)	96,40,106	1,00,60,963
Provision for taxation (Net of Advance Tax)	50,06,018	(28,71,807)
Other provisions (includes provision for expenses)	37,56,630	29,50,683
TOTAL	1,89,63,003	1,03,95,132

NOTE 8 : FIXED ASSETS

Property Plant and Equipments

(In ₹)

PARTICULARS	CURRENT PERIOD									
	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Opening	Additions	Deductions	Closing	Opening	Additions	Deductions	Closing	Opening	Closing
Computer Software	34,67,061			34,67,061	33,95,842	69,838		34,65,681	71,219	1,380
Membership Card	15,15,000			15,15,000	15,14,996			15,14,996	4	4
Office Premises	73,67,430			73,67,430	73,67,430			73,67,430	-	-
Computer-2	2,61,350	11,07,251		13,68,601	38,327	5,33,023		5,71,350	2,23,023	7,97,250
Furniture	1,14,852			1,14,852	1,10,164	661		1,10,825	4,688	4,027
Electrical Equipment	2,58,847			2,58,847	2,30,432	4,303		2,34,735	28,415	24,112
Office Equipments	3,39,110	24,356		3,63,466	2,59,432	47,897		3,07,328	79,678	56,138
Computer-1	40,40,118			40,40,118	37,21,207	1,39,362		38,60,569	3,18,911	1,79,549
Scooter	-	81,885		81,885	-	8,841		8,841	-	73,044
TOTAL	1,73,63,768	12,13,492	-	1,85,77,259	1,66,37,832	8,03,925	-	1,74,41,756	7,25,936	11,35,503

NOTE 9 : NON-CURRENT INVESTMENT

	As at 31-Mar-2018 In ₹	As at 31-Mar-2017 In ₹
Investment in		
Motilal Oswal MOST Focused Multicap 35 Fund - Direct Growth	5,00,00,000	5,00,00,000
TOTAL	5,00,00,000	5,00,00,000

NOTE 10 : DEFERRED TAX ASSET

	As at 31-Mar-2018 In ₹	As at 31-Mar-2017 In ₹
Deferred Tax Asset:		
Difference in net block of fixed assets	1,25,003	74,544
Provision for VAT	14,63,635	12,89,986
Gratuity provision	6,73,893	6,35,232
Loss on sale of office premises	15,39,507	15,39,507
TOTAL	38,02,037	35,39,269

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 11 : LONG TERM LOANS & ADVANCES

	As at 31-Mar-2018 In ₹	As at 31-Mar-2017 In ₹
Rent deposits	2,34,841	2,34,841
Capital advances	25,300	–
Prepaid expense (LT)	–	18,491
Advance tax (Net of Provision)	57,85,860	57,85,860
TOTAL	60,46,001	60,39,192

NOTE 12 : OTHER NON-CURRENT ASSETS

	As at 31-Mar-2018 In ₹	As at 31-Mar-2017 In ₹
Fixed deposits (maturity more than 12 months)	–	33,50,000
TOTAL	–	33,50,000

NOTE 13 : INVENTORIES (AT COST)

	As at 31-Mar-2018 In ₹	As at 31-Mar-2017 In ₹
Equity Shares	44,116	44,116
TOTAL	44,116	44,116

NOTE 14 : TRADE RECEIVABLES

	As at 31-Mar-2018 In ₹	As at 31-Mar-2017 In ₹
Unsecured, considered good:		
a) Outstanding for a period exceeding six months from the date they are due for payment:	2,57,72,94,974	2,57,49,86,359
b) Outstanding for a period less than six months from the date they are due for payment:	75,81,108	59,02,314
Doubtful -(US)	(53,12,166)	(46,81,920)
Secured, considered good:		
a) Outstanding for a period exceeding six months from the date they are due for payment -(S)	39,509	8,12,057
b) Outstanding for a period less than six months from the date they are due for payment -(S)	11,84,597	24,12,399
TOTAL	2,58,07,88,023	2,57,94,31,209

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 15 : CASH AND BANK BALANCES

	As at 31-Mar-2018 In ₹	As at 31-Mar-2017 In ₹
Cash and cash equivalents:		
Cash on hand	1,04,000	2,94,000
Balance with banks:		
In current accounts	9,64,09,841	7,40,45,177
Fixed deposit (maturity Less than 12 months)	91,41,28,150	53,14,64,149
TOTAL	1,01,06,41,991	60,58,03,326

NOTE 16 : SHORT TERM LOANS AND ADVANCES

	As at 31-Mar-2018 In ₹	As at 31-Mar-2017 In ₹
Deposits with exchange	2,08,38,794	4,07,79,666
Others loans & advances:		
Prepaid expenses	5,48,350	5,23,820
Prepaid Expense balance with government authorities	12,45,034	12,21,692
For supply of services	1,98,531	2,46,567
Loans and Advances to employees	5,70,024	5,40,209
Advance tax, TDS (Net of provision for tax ₹ 50,06,018)	1,69,53,473	89,53,473
VAT/Tax credit receivables	5,67,80,019	5,15,77,620
Others (ST)	53,11,094	76,65,269
TOTAL	10,24,45,319	11,15,08,316

NOTE 17 : OTHER CURRENT ASSETS

	As at 31-Mar-2018 In ₹	As at 31-Mar-2017 In ₹
Others	2,89,400	-
Accrued interest but not due on Fixed Deposits	1,95,75,828	1,49,22,192
Interest accrued and due on loan	3,93,494	9,155
TOTAL	2,02,58,722	1,49,31,347

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 18 : REVENUE FROM OPERATIONS

	For the Year ended 31-Mar-2018 In ₹	For the Year ended 31-Mar-2017 In ₹
Brokerage and commission income	16,01,49,792	14,89,34,970
Other operating revenue	3,96,84,176	2,48,46,319
TOTAL	19,98,33,968	17,37,81,289

NOTE 19 : OTHER INCOME

	For the Year ended 31-Mar-2018 In ₹	For the Year ended 31-Mar-2017 In ₹
Profit on sale of fixed assets	—	17,79,890
TOTAL	—	17,79,890

NOTE 20 : EMPLOYEE BENEFITS EXPENSE

	For the Year ended 31-Mar-2018 In ₹	For the Year ended 31-Mar-2017 In ₹
Salary, bonus and allowances	5,19,46,629	4,87,79,095
Contribution to provident and other funds	15,89,203	13,16,970
Employee stock option-expenses	13,07,574	
Gratuity (refer note 26)	1,40,320	6,83,084
Staff welfare expenses	4,35,014	3,89,843
TOTAL	5,54,18,741	5,11,68,992

NOTE 21 : FINANCE COST

	For the Year ended 31-Mar-2018 In ₹	For the Year ended 31-Mar-2017 In ₹
Interest expense	1,98,17,810	1,35,43,377
Other borrowing cost	13,44,607	87,082
TOTAL	2,11,62,417	1,36,30,458

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 22 : OTHER EXPENSES

	For the Year ended 31-Mar-2018 In ₹	For the Year ended 31-Mar-2017 In ₹
Brokerage sharing with intermediaries	5,67,70,187	5,74,68,054
Insurance	7,76,921	5,30,606
Computer maintenance and software charges	6,898	–
Legal and professional charges	36,18,542	20,01,555
Marketing and brand promotion	16,67,537	18,35,884
Remuneration to auditors (refer note:24)	1,89,750	1,71,969
Data processing charges	4,07,818	2,56,007
Entertainment expenses	4,62,415	6,00,153
Rent	3,35,510	3,05,045
Power and fuel	38,957	90,114
Communication expenses	27,27,219	20,93,351
Bad debts	54,902	5,20,47,034
Provision on doubtful debts	6,30,246	24,65,638
Provision on value added tax	–	(4,95,63,003)
Travelling & conveyance expenses	42,83,622	33,74,815
CSR	66,947	6,00,000
Miscellaneous expenses	14,23,234	5,72,931
TOTAL	7,34,60,705	7,48,50,153

NOTE 23 : RELATED PARTY DISCLOSURE

(i) Names of Related Parties :-

Holding Company:

Motilal Oswal Financial Services Limited

Ultimate Holding Company:

Passionate Investment Management Private Limited

Fellow Subsidiaries:

- 1) Motilal Oswal Securities Limited
- 2) Motilal Oswal Investment Advisors Limited (formerly known as Motilal Oswal Investment Advisors Private Limited)
- 3) MOPE Investment Advisors Private Limited
- 4) Motilal Oswal Capital Markets Private Limited
- 5) Motilal Oswal Wealth Management Limited
- 6) Motilal Oswal Fincap Private Limited (formerly known as Motilal Oswal Insurance Broker Private Limited)
- 7) Motilal Oswal Asset Management Company Limited
- 8) Motilal Oswal Trustee Company Limited
- 9) Motilal Oswal Securities International Private Limited
- 10) Motilal Oswal Capital Market (Hongkong) Private Limited
- 11) Motilal Oswal Capital Market (Singapore) Pte Limited
- 12) Aspire Home Finance Corporation Limited
- 13) Motilal Oswal Real Estate Investment Advisors Private Limited
- 14) Motilal Oswal Real Estate Investment Advisors II Private Limited

NOTES TO FINANCIAL STATEMENT (Contd..)

- 15) India Business Excellence Management Company
- 16) Motilal Oswal Asset Management (Mauritius) Pvt. Ltd.
- 17) Nagori Agro & Cattle Feeds Private Limited
- 18) Motilal Oswal Capital Limited

Key management Personnel

- Ajay Menon - Director
- Kishore Narne - Director

(ii) The transactions were entered into with the above related parties during the year in the ordinary course of business have been provided in the Annexure.

Transactions with related parties for the year ended 31st March, 2017 :

Transaction	Name of the related Party	Holding Company (A)		Fellow Subsidiaries (B)		Total (A+B)	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Interest Expense	Motilal Oswal Financial Services Limited	1,98,17,810	1,35,15,877		–	1,98,17,810	1,35,15,877
Rent Expense	Motilal Oswal Securities Limited	–	–	3,30,396	3,02,093	3,30,396	3,02,093
Reimbursement of Expenses Paid	Motilal Oswal Securities Limited		–	66,738	1,05,577	66,738	1,05,577
	Motilal Oswal Financial Services Limited	10,38,890	57,863			10,38,890	57,863
Loan Taken	Motilal Oswal Financial Services Limited	(7,99,79,21,908)	(2,73,42,26,668)			(7,99,79,21,908)	(2,73,42,26,668)
Loan Repaid	Motilal Oswal Financial Services Limited	8,15,51,21,908	2,73,43,92,943			8,15,51,21,908	2,73,43,92,943
Loans (Maximum balance)	Motilal Oswal Financial Services Limited	72,00,00,000	(39,86,34,485)		–	72,00,00,000	(39,86,34,485)
Rent Deposit Paid	Motilal Oswal Securities Limited			–	28,319	–	28,319
Outstanding Balances:						–	–
Corporate Guarantees	Motilal Oswal Financial Services Limited	(5,00,00,000)	(5,00,00,000)		–	(5,00,00,000)	(5,00,00,000)
Other liabilities	Motilal Oswal Securities Limited		–	(1,56,925)	(20,330)	(1,56,925)	(20,330)
Unsecured Loan	Motilal Oswal Financial Services Limited				–	–	–
Other Receivables	Motilal Oswal Financial Services Limited	3,93,494	9,155			3,93,494	9,155
Rent Deposit Receivable	Motilal Oswal Securities Limited	–	–	1,65,196	1,65,196	1,65,196	1,65,196

Note: 'Income/liabilities figures are shown in brackets.

NOTE 24 : AUDITORS REMUNERATION

Particulars	31-Mar-2018	31-Mar-2017
Audit fees	1,80,000	1,40,000
Tax Audit fees	–	–
In any other capacity, in respect of:		
Other Services	9,750	31,969
TOTAL	1,89,750	1,71,969

NOTE 25 : BASIC & DILUTED EARNINGS PER SHARE

Particulars	2016-17	2015-16
Net Profit /(Loss) attributable to equity shareholders [A] (₹)	3,78,72,456	1,95,54,228
Number of equity shares issued [B]	4,10,044	4,10,044
Basic & Diluted Earnings/(Loss) per share [A/B] (₹)	92.36	47.69

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 26 :

The following table set out the Gratuity Plan as required under as 15.

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

The Company follows the Revised Accounting Standard 15 on Employee Benefits. Reconciliation of opening and closing balances of the present value of the defined benefit obligation for gratuity benefits is as under:

	March 31, 2018	March 31, 2017
(I) Assumptions as at	March 31, 2018	March 31, 2017
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest / Discount Rate	6.85%	6.69%
Rate of increase in compensation	9.75%	10.00%
Rate of return (expected) on plan assets	–	–
Employee Attrition Rate (Past Service (PS))	PS: 0 to 37 : 25.28%	PS: 0 to 37 : 24.91%
Expected average remaining service	2.93	2.98
(II) Changes in present value of obligations (PVO)		
PVO at beginning of year	23,05,532	16,22,448
Interest cost	1,54,240	1,21,521
Current Service Cost	14,38,411	8,59,470
Past Service Cost - (non vested benefits)	–	–
Past Service Cost - (vested benefits)	1,964	–
Benefits Paid	–	–
Actuarial (Gain)/Loss on obligation	(14,54,295)	(2,97,907)
PVO at end of year	24,45,852	23,05,532
(III) Changes in fair value of plan assets		
Fair Value of Plan Assets at beginning of year	–	–
Expected Return ori Plan Assets	–	–
Contributions	–	–
Benefit Paid	–	–
Actuarial Gain/(Loss) on plan assets	–	–
Fair Value of Plan Assets at end of year	–	–
(IV) Fair Value of Plan Assets		
Fair Value of Plan Assets at beginning of year	–	–
Actual Return on Plan Assets	–	–
Contributions	–	–
Benefit Paid	–	–
Fair Value of Plan Assets at end of year	–	–
Funded Status (including unrecognised past service cost)	(24,45,852)	(23,05,532)
Excess of actual over estimated return on Plan Assets	–	–
(V) Experience History		
(Gain)/Loss on obligation due to change in Assumption	(49,666)	(2,94,031)
Experience (Gain)/ Loss on obligation	(14,04,629)	(3,876)
Actuarial Gain/(Loss) on plan assets	–	–

NOTES TO FINANCIAL STATEMENT *(Contd..)*

	March 31, 2018	March 31, 2017
(VI) Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the year (Obligation)	14,54,295	2,97,907
Actuarial Gain/(Loss) for the year (Plan Assets)	–	–
Total Gain/(Loss) for the year	14,54,295	2,97,907
Actuarial Gain/(Loss) recognized for the year	14,54,295	2,97,907
Unrecognized Actuarial Gain/(Loss) at end of year	–	–
(VII) Past Service Cost Recognised		
Past Service Cost - (non vested benefits)	–	–
Past Service Cost - (vested benefits)	1,964	–
Average remaining future service till vesting of the benefit	–	–
Recognised Past service Cost - non vested benefits	–	–
Recognised Past service Cost - vested benefits	1,964	–
Unrecognised Past Service Cost - non vested benefits	–	–
(VIII) Amounts to be recognized in the balance sheet and statement of profit and loss		
PVO at end of period	24,45,852	23,05,532
Fair Value of Plan Assets at end of year	–	–
Funded Status	(24,45,852)	(23,05,532)
Unrecognized Actuarial Gain/(Loss)	–	–
Unrecognised Past Service Cost - non vested benefits	–	–
Net Asset/(Liability) recognized in the balance sheet	(24,45,852)	(23,05,532)
(IX) Expense recognized in the statement of profit and loss		
Current Service Cost	14,38,411	8,59,470
Interest cost	1,54,240	1,21,521
Past Service Cost - (non vested benefits)	–	–
past Service Cost - (vested benefits)	1,964	–
Unrecognised Past Service Cost - non vested benefits	–	–
Expected Return on Plan Assets	–	–
Net Actuarial (Gain)/Loss recognized for the year	(14,54,295)	(2,97,907)
Expense recognized in the statement of profit and loss	1,40,320	6,83,084
(X) Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	23,05,532	16,22,448
Expenses as above	1,40,320	6,83,084
Contribution paid	–	–
Closing Net Liability	24,45,852	23,05,532
(XI) Revised schedule VI		
Current liability	5,60,249	2,55,293
Non-current liability	18,85,603	20,50,239

NOTE 27 : SEGMENT REPORTING

The Company is engaged in single segment as defined in AS – 17; hence Segment Reporting is not applicable to the Company.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 28 : PROVISIONS MADE FOR THE YEAR ENDED 31.03.2018 COMPRISES OF:

Particulars	Opening balance	Provided during the year ended 31.03.18	Provision Paid /reversed during the year ended 31.3.18	Closing balance as of 31.3.18
Ex-gratia	1,00,60,963	3,49,85,901	3,54,06,758	96,40,106
Gratuity	23,05,532	1,40,320	–	24,45,852

Particulars	Opening balance	Provided during the year ended 31.03.17	Provision Paid /reversed during the year ended 31.03.17	Closing balance as of 31.03.17
Ex-gratia	52,94,934	1,02,50,056	54,84,027	1,00,60,963
Gratuity	16,22,448	6,83,084	–	23,05,532

NOTE 29 : CONTINGENT LIABILITIES & CAPITAL COMMITMENTS

Contingent Liabilities:

- a) Claims against the company in respect of Legal matters filed against the Company

Pending against Forum	As at 31st March 2018		As at 31st March 2017	
	No. of Cases	Amount	No. of Cases	Amount
Arbitration Cases	–	–	1	3,40,000

- b) Demand in respect of Income Tax matters for which appeal is pending is ₹ 1,47,09,884 /- (Previous Year ₹ 2,10,53,740/-) . This is disputed by the company and hence not provided for. The company has paid demand by way of deposit/adjustment of refund of ₹ 30,75,000 by way of regular assessment till date. Above liability does not include interest u/s 234 B and 234 C as the same depends on the outcome of the demand.

Capital Commitments:

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) is ₹ 22,426 (Previous Year : ₹ 4,39,791)

NOTE 30 :

Trade receivables in case of the company includes ₹ 25,179.14 Lakhs (Previous year ₹ 25,179.14 Lakhs) receivable from National Spot Exchange Limited on behalf of customers and the same is also shown as Other Trade payable to customers at ₹ 24,758.78 Lakhs (Previous year ₹ 24,758.78 Lakhs) which will become due only on receipt from National Spot Exchange Limited.

NOTE 31 : CORPORATE SOCIAL RESPONSIBILITY

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

- a) Gross amount required to be spent by the company during the year is ₹ Nil (Previous year : 3,45,109)

Note: The Company does not satisfy the criteria mentioned in Section 135 of The Companies Act,2013 owing to previous year losses therefore, CSR Provisions are not applicable.

Amount spent during the period ended 31st March, 2017 on :

Particulars	Amount paid	Yet to be paid	Total
a) Construction/acquisition of any asset International Foundation For Research And Education (Construction of Ashoka University) through Motilal Oswal Foundation	6,00,000	6,00,000	
b) on Purposes other than (a) above	–		
Total	6,00,000	–	

NOTE 32 :

There is no amount outstanding for more than thirty days to any Small Scale Industrial Undertaking as at the Balance Sheet date. There are no Micro, Small and Medium Enterprises to whom the company owes dues, which are outstanding for more than forty five days as at the Balance Sheet date. The Micro, Small and Medium Enterprises have been identified on the basis of the information provided by the vendors to the company.

NOTE 33 :

Previous year figures have been regrouped/rearranged where necessary to confirm to year's classification.

NOTE 34 : NATURE OF BUSINESS

The company is a registered commodities broker on Multi Commodity Exchange of India Limited (MCX), National Commodity & Derivatives Exchange Limited (NCDEX) and National Spot Exchange Limited (NSEL) and is primarily engaged in the business of providing commodities markets related transaction services. The company is also engaged in the business of proprietary trading in commodities.

During the current financial year the company has surrendered its license from Multi Commodity Exchange of India Limited (MCX) vide member id 29500 and membership number MCX/TCM/CORP/0725, date of registration 24th February, 2006 and date of submission of surrender of membership application to exchange is 27th April, 2018.

The company has also surrendered its license from National Commodity & Derivatives Exchange Limited (NCDEX) vide member id 00114 and membership number NCDEX/TCM/CORP/0033, date of registration 9th January 2004 and date of submission of surrender of membership application to exchange is 27th April, 2018.

The company has also surrendered its license from National Commodity & Derivatives Exchange Limited (NCDEX SPOT (NeML)) vide member id 10014 , date of registration 9th August 2007 and date of submission of surrender of membership application to exchange is 17th April, 2018.

NOTE 35 : SIGNIFICANT ACCOUNTING POLICIES:**a) Basis of Preparation of Financial Statement:**

The accompanying financial statement are prepared under the historical cost convention, on the accrual basis of accounting and comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act, 2013 (to the extent applicable) and in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 issued by Institute of Chartered Accountant of India, the provisions of the Companies Act, 2013 and regulations of Reserve Bank of India to the extent applicable.

b) Use of Estimates:

The preparation of the financial statement are in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statement are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statement. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statement. Any differences of actual results to such estimates are recognized in the period in which the results are known/materialized.

c) Property, Plant and Equipments & Depreciation

Property, Plant and Equipment are stated at cost less accumulated depreciation thereon. The cost of property, plant and equipment comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. The Company provides pro-rata depreciation from the date on which asset is acquired /put to use. In respect of assets sold, pro-rata depreciation is provided upto the date on which the asset is sold. Depreciation is based on the cost of an asset less its residual value as notified in Schedule II to the Companies Act, 2013. In pursuant of Schedule II of the Companies Act 2013, the property, plant and equipment of the significant value are componentized with separate useful life. In case of addition, depreciation is provided pro-rata for entire month in which addition is made and in case of deletions, depreciation is provided till month preceding month of disposal of such assets. On all assets, except as mentioned below, depreciation has been provided based on Written down Value method using the useful life as specified in Schedule II to the Companies Act, 2013.

Improvements to leasehold premises are depreciated over the remaining initial period of lease on Straight Line Basis.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

d) Intangible Assets and Amortization:

Expenses incurred on Computer Software having enduring benefits are capitalized and amortized on Straight Line Method (SLM) basis over a period of five years.

Payment made for the membership of the Multi-Commodity Exchange is considered as Intangible asset and depreciated over a period of five years on Straight Line Basis (SLM) from the date of acquisition.

e) Investments:

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

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

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

f) Stock in Trade:

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

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

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

g) Revenue Recognition:

Brokerage income is recognized on trade date basis and is exclusive of service tax and Commodity Transaction Tax (CTT) wherever applicable.

- Interest income is recognized on accrual basis.
- Dividend income is recognized when the right to receive payment is established.
- Income from proprietary trading /arbitrage comprises profit/loss on sale of commodities held as stock-in-trade and profit/loss on counter derivative instruments.
- In respect to the purchase and sale of commodities in spot exchange (NSEL)

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

Sale and corresponding receivable recognised in the financial statement on the date on which the transaction was executed on the exchange and the delivery allocation report were issued by the exchange. Confirming dispatch of inventory on behalf of the company.

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

- Profit/loss on sale of all other commodities is determined based on the weighted average cost of the commodities sold.
- In respect of other heads of income, the Company accounts the same on accrual basis.

h) Foreign Currency Transactions:

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

i) Employee Benefits:

Provident Fund:

Contribution payable to the recognised provident fund, which is a defined contribution scheme, is charged to the statement of profit and loss in the period in which they occur.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Gratuity:

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 unrecognized actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognized immediately in the statement of profit and loss.

Compensated Absences:

As per the policy of the company, an employee can carry forward maximum 10 days of leave to next financial year. No leave is allowed to be encashed. An obligation arises as employees render service that increases their entitlement to future compensated absences. Provision is made for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

Ex-gratia Plans:

The company recognizes the costs of bonus payments when it has a present obligation to make such payments as a result of past events and the reliable estimate of the obligation can be made.

j) Taxation:

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

Current Tax:

Provision for current tax is made on the basis of estimated taxable income for the accounting year in accordance with the Income Tax Act, 1961.

Deferred taxation:

The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realization of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realized.

k) Provisions and Contingencies:

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

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

As per our attached report of even date

For Aneel Lasod and Associates

Chartered Accountants

Firm Registration No. 124609W

Aneel Lasod

Partner

M. No: 40117

Place : Mumbai

Dated : 19th May 2018

For and on behalf of the Board of

Motilal Oswal Commodities Broker Private Limited

Ajay Menon

Director

DIN: 00024589

Place : Mumbai

Dated : 19th May 2018

Kishore Narne

Director

DIN: 07974034



Motilal Oswal Capital Markets (Hongkong) Private Limited

Financial Statement 2017-2018

INDEPENDENT AUDITORS' REPORT

To The Members of the **MOTILAL OSWAL CAPITAL MARKETS (HONG KONG) PRIVATE LIMITED**

Report on the Financial Statement

The financial statement comprising of the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow of Motilal Oswal Capital Markets (Hong Kong) Private Limited (the Company) as on March 31, 2018, being a company registered in Hong Kong, are audited by Horizon (HK) CPA Limited, Certified Public Accountants and we have been furnished with their audit report dated 15th May 2018, are certified by the management of the company.

We are presented with the financial statement comprising of the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement in Indian Rupees prepared by the Management of the Company on the basis of aforesaid audited financial statement to comply with the requirements of the Companies Act 2013. We have audited the Balance Sheet of Motilal Oswal Capital Markets (Hong Kong) Private Limited (the Company) as on March 31, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year ended March 31, 2018 annexed thereto.

Management's Responsibility for the Financial Statement

These financial statement are the responsibility of the Company's management. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statement based on our audit. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, on the basis of information and explanations given to us and relying upon the above referred audited financial statement and auditor's report thereon, these financial statement read together with the notes thereon and attached thereto give the information required by the Act. In the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. In the case of Balance Sheet of the state of affairs of the Company as on March 31, 2018;
- b. In the case of the Statement of Profit and Loss of the profit for the year ended March 31, 2018; and
- c. In the case of Cash Flow Statement, of the cash flows for the year ended March 31, 2018.

For **PGS & ASSOCIATES**

Chartered Accountants

Firm Registration No.:122394W

Premal H Gandhi

Partner

Membership No.:111592

Place: Mumbai

Date: 21st May, 2018

ACCOUNTANTS CERTIFICATE

The Board of Directors

Motilal Oswal Capital Markets (Hongkong) Private Limited

We have verified the conversion of the accompanying condensed balance sheet of Motilal Oswal Capital Markets (Hongkong) Private Limited as on March 31, 2018 and the related Statement of Profit and Loss for the year ended March 31, 2018 which has been prepared and certified by the Management of Motilal Oswal Financial Services Limited and denominated in Hong Kong Dollars, to Indian Rupees, with books of account and records maintained and produced to us for verification and information and explanations given to us by the management of the Motilal Oswal Financial Services Limited have found it to be in accordance therewith.

This certificate has been issued for the Management of the Company and to assist the auditors of the ultimate holding company with their review of the consolidated financial statement and should not be used for any other purpose.

For **PGS & Associates**

Chartered Accountants

Firm Registration No.: 122384W

Premal Gandhi

Partner

Membership No.:111592

Place: Mumbai

Date: 21st May 2018

BALANCE SHEET

BALANCE SHEET AS AT MARCH 31, 2018

	Note No.	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
I EQUITY AND LIABILITIES			
Share holders' Funds:			
Share Capital	1	4,12,02,000	4,12,02,000
Reserve and Surplus	2	(3,02,19,635)	(3,35,83,037)
Current Liabilities			
Trade Payables	3	55,17,442	–
Other Current Liabilities	4	8,82,605	8,12,608
Short Term Provisions	5	1,53,908	–
TOTAL		1,75,36,320	84,31,571
II ASSETS			
Non - Current Assets			
Long term loans and advances	6	2,80,576	2,80,617
Current Assets			
Cash and Cash Equivalents	7	1,71,05,696	79,94,612
Short Term Loans and Advances	8	1,50,048	1,56,342
TOTAL		1,75,36,320	84,31,571

Notes referred to above form an Integral part of these Financial Statement

As per our Report of even date

For PGS & Associates

Chartered Accountants

Firm Registration No.: 122384W

For Motilal Oswal Capital Markets (Hongkong) Private Limited

Premal H Gandhi

Partner

M.No.: 111592

Place : Mumbai

Date : 21st May 2018

Abhijit Tare

Director

DIN No. 07682095

Place : Mumbai

Date : 21st May 2018

Martin Brendon Marnick

Director

STATEMENT OF PROFIT AND LOSS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Note No.	For the Year Ended 31-Mar-18 in ₹	For the Year Ended 31-Mar-17 in ₹
INCOME :			
Income From Operation	9	1,75,48,994	–
Other Income	10	132	145
TOTAL INCOME		1,75,49,126	145
EXPENSES:			
Employee Benefits	11	48,12,229	49,97,643
Operating Expense	12	55,04,590	–
Other Expenses	13	38,17,890	37,71,544
TOTAL EXPENSES		1,41,34,709	87,69,187
Profit/(Loss) Before Tax		34,14,417	(87,69,042)
Profit/(Loss) for the year		34,14,417	(87,69,042)
Earnings per equity share:			
Basic and Diluted		0.57	(1.46)
Equity Shares of Par Value HK \$ 1 each			

Notes referred to above form an integral part of these financial statement

As per our Report of even date

For PGS & Associates

Chartered Accountants

Firm Registration No.: 122384W

For Motilal Oswal Capital Markets (Hongkong) Private Limited

Premal H Gandhi

Partner

M.No.: 111592

Place : Mumbai

Date : 21st May 2018

Abhijit Tare

Director

DIN No. 07682095

Place : Mumbai

Date : 21st May 2018

Martin Brendon Marnick

Director

CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

Particulars	April 1,2017 to March 31 2018 in ₹	April 1,2016 to March 31, 2017 in ₹
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT/(LOSS) BEFORE TAX	34,14,417	(87,69,042)
Add/(Less):		
Adjustments for:		
Interest Income	(132)	(145)
Translation Differences on Foreign Currency Taken to Reserves	(51,015)	(66,908)
Adjustment for working capital changes		
Increase/(Decrease) in Trade payables	55,17,442	–
Increase/(Decrease) in Other Current Liabilities	69,997	(5,57,170)
Increase/(Decrease) in Short Term Provision	1,53,908	(41,619)
(Increase)/Decrease in Long Term Loans and Advances	41	92
(Increase)/Decrease in Short Term Loans and Advances	6,294	1,508
CASH GENERATED FROM OPERATIONS	9,110,952	(94,33,284)
Taxes Paid	–	–
NET CASH FROM OPERATING ACTIVITIES	91,10,952	(94,33,284)
CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	132	145
NET CASH FROM INVESTING ACTIVITIES	132	145
CASH FLOW FROM FINANCING ACTIVITIES		
NET CASH FROM FINANCING ACTIVITIES	–	–
NET CASH FLOW FOR THE YEAR	91,11,084	(94,33,139)
Balance with Bank in Current Account as at the beginning of the year	79,94,613	1,74,27,753
Balance with Bank in Current Account as at the end of the year	1,71,05,696	79,94,612

As per our Report of even date

For PGS & Associates
Chartered Accountants
Firm Registration No.: 122384W

For Motilal Oswal Capital Markets (Hongkong) Private Limited

Premal H Gandhi
Partner
M.No.: 111592

Place : Mumbai
Date : 21st May 2018

Abhijit Tare
Director
DIN No. 07682095

Place : Mumbai
Date : 21st May 2018

Martin Brendon Marnick
Director

NOTES TO FINANCIAL STATEMENT

NOTE 1 : SHARE CAPITAL

	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
Authorised :		
Equity Shares of HK\$ 1 Each	7,00,00,000	7,00,00,000
Issued, Subscribed and Paid Up :		
Equity Shares of HK \$ 1 each fully paid up (All of the above 6,000,000 equity shares are held by Motilal Oswal Securities Limited, the Holding Company)	4,12,02,000	4,12,02,000
TOTAL	4,12,02,000	4,12,02,000

NOTE 2 : RESERVES AND SURPLUS

	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
Deficit in the Statement of Profit and Loss		
Opening Balance	(4,00,38,945)	(3,12,69,903)
Net loss for the Year	34,14,417	(8,769,042)
Foreign Currency Translation Reserve		
Opening Balance	64,55,908	65,22,816
Add : For the Current Year	(51,015)	(66,908)
Closing Balance	64,04,893	64,55,908
Closing Balance	(,302,19,635)	(3,35,83,037)

NOTE 3 : TRADE PAYABLES

	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
Advisory Fees Payable	55,17,442	-
TOTAL	55,17,442	-

NOTE 4 : OTHER CURRENT LIABILITIES

	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
Creditors for Expenses	8,82,605	8,12,607
TOTAL	8,82,605	8,12,607

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 5 : SHORT TERM PROVISIONS

	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
Provision for Expenses	1,53,908	–
TOTAL	1,53,908	–

NOTE 6 : LONG TERM LOANS AND ADVANCES

	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
Rent Deposits	2,76,439	2,76,448
Other Deposits	4,137	4,170
TOTAL	2,80,576	2,80,617

NOTE 7 : CASH AND BANK BALANCES

	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
Balance with Banks in Current Accounts	1,71,05,696	79,94,613
TOTAL	1,71,05,696	79,94,613

NOTE 8 : SHORT TERM LOANS AND ADVANCES

	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
Others		
Others Unsecured, Considered Good		
Advance for Expenses	92,146	92,149
Prepaid Expenses	57,902	64,193
TOTAL	1,50,048	1,56,342

NOTE 9 : INCOME FROM OPERATION

	For the Year Ended 31-Mar-18 in ₹	For the Year Ended 31-Mar-17 in ₹
Research & Advisory Fees	1,75,48,994	–
TOTAL	1,75,48,994	–

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 10 : OTHER INCOME

	For the Year Ended 31-Mar-18 in ₹	For the Year Ended 31-Mar-17 in ₹
Interest Income	132	145
TOTAL	132	145

NOTE 11 : EMPLOYEE BENEFITS

	For the Year Ended 31-Mar-18 in ₹	For the Year Ended 31-Mar-17 in ₹
Employee Benefits		
Salaries and Incentives	46,56,018	48,32,493
Contribution to Provident Fund	1,48,596	1,55,574
Insurance	7,615	9,576
TOTAL	48,12,229	49,97,643

NOTE 12 : OPERATING EXPENSE

	For the Year Ended 31-Mar-18 in ₹	For the Year Ended 31-Mar-17 in ₹
Advisory and other fees	55,04,590	-
TOTAL	55,04,590	-

NOTE 13 : OTHER EXPENSES

	For the Year Ended 31-Mar-18 in ₹	For the Year Ended 31-Mar-17 in ₹
Rent Rates and Taxes	10,96,079	11,24,280
Courier Charges	644	-
Legal and Professional Fees	21,76,156	21,64,026
Auditor's Remuneration	4,74,070	4,38,199
Bank Charges	57,330	39,854
Miscellaneous Expenses	13,611	5,186
TOTAL	38,17,890	37,71,544

NOTE 14 : BACKGROUND

Motilal Oswal Capital Markets (Hongkong) Private Limited ("The Company") was incorporated in Hongkong on September 30, 2011 (CR No.1 668413). The principal shareholder of the Company as at March 31, 2018 is Motilal Oswal Securities Limited (MOSL).

The Company's principal activity is to distribute research (produced by MOSL) and render financial advice on Indian equities to institutional investors in Hongkong.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

The Company is seeking to conduct regulated activities such as dealing in securities and advising on securities as it intends to provide a brokerage service in relation to stocks, unit trusts, mutual funds, debt securities and stock derivatives. The Company is also seeking to distribute institutional research to Hongkong and overseas institutional clients.

The transactions of the Company are in local currency, which have been converted into Indian Rupees for reporting purposes at the rate applied as per paragraph (c) of Note 2 of Significant Accounting Policies.

NOTE 15 : SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statement of the Company are prepared under the historical cost convention on the accrual basis of accounting and comply in all material aspects with accounting principles generally accepted in India.

(b) Use of Estimates

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

(c) Conversion to Indian Rupees

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

(d) Operating Leases

Lease rentals in respect of operating lease are charged to the statement of profit and loss as per the terms of the lease arrangement on a straight-line basis over the lease period.

(e) Taxes on income

Current tax is determined as the amount of tax payable in respect of taxable income for the year using the tax rates enacted or substantially enacted at the balance sheet date.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

(f) Earnings per share

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

Diluted earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares.

(g) Contingencies and provisions

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 16 : SFC LICENCE

Motilal Oswal Capital Markets (Hong Kong) Private Limited ("Motilal HK") was incorporated in Hong Kong on 30 September 2011 (CR No 1668413).

The Company received SFC license on 24th June 2014 to Advise on Securities & conduct TYPE IV Activity vide its license no AYY301. The license allows Motilal HK to distribute Research Reports on Indian Markets only to Hong Kong based Professional Investors . Motilal HK is 100% owned subsidiary of Motilal Oswal Securities Limited a 100% subsidiary of Motilal Oswal Financial Services Limited subsidiary of Passionate Investment Management Private Limited which is its ultimate holding company.

NOTE 17 : TAXATION

No provision for the current tax has been made in view of prior year's taxable loss.

NOTE 18 : OPERATING LEASES

The Company had taken office premises under operating lease or leave and license agreements.

During the year ₹ 10,96,079 (Previous year ₹ 11,24,280) being lease rentals for the current year are recognized in the statement of profit and loss under the head "rent".

As at March 31, 2018 the total future minimum lease payments under non-cancellable operating leases are payable as follows :-

Particulars	April 1, 2017 to March 31, 2018 Amount (₹)	April 1, 2016 to March 31, 2017 Amount (₹)
Payable within 1 year	10,98,638	10,84,775
Payable after 1 year but not later than 5 years		—
TOTAL	10,98,638	10,84,775

NOTE 19 : EARNINGS PER SHARE

The numerator and denominator used to calculate basic and diluted earnings per shares are as under:

Particulars	For the Year Ended 31-Mar-18	For the Year Ended 31-Mar-17
Profit/(Loss) attributable to equity shareholders (₹)	34,14,417	(8,769,042)
Weighted average number of equity shares outstanding during the year	60,00,000	60,00,000
Nominal value per share (₹)	6.87	6.87
Earnings per share (Basic and diluted) (₹)	0.57	(1.46)

NOTE 20 : TRANSLATION DIFFERENCES

The translation differences arising during the period on account of foreign currency have been directly taken to Reserves.

NOTE 21 : RELATED PARTIES TRANSACTIONS

(i) Relationships during the period

A) Enterprises where control exists

- Motilal Oswal Securities Limited – Holding Company
- Motilal Oswal Financial Services Limited – Holding Company of Motilal Oswal Securities Limited
- Passionate Investment Management Private Limited - Ultimate Holding Company

B) Fellow subsidiaries

- Motilal Oswal Capital Markets Private Limited
- Motilal Oswal Trustee Company Limited

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Motilal Oswal Fincap Private Limited (formerly known as Motilal Oswal Insurance Brokers Private Limited)
 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 Wealth Management Limited
 Motilal Oswal Securities International Private Limited
 Motilal Oswal Asset Management Company
 Motilal Oswal Capital Market (Singapore) Pte Ltd.
 Motilal Oswal Real Estate Investment Advisors Private Limited
 Motilal Oswal Real Estate Investment Advisors II Private Limited
 Aspire Home Finance Corporation Limited
 India Business Excellence Management Company
 Motilal Oswal Asset Management (Mauritius) Private Limited
 Nagori Agro & Cattle Feeds Private Limited
 Motilal Oswal Capital Limited

C) Key management personnel

- Abhijeet Tare - Director
- Martin Brendon Marnick - Director

ii) Transactions with related parties for the period ended March 31, 2018

Transactions	Name of the related Party	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Director's Remuneration	Martin Brendon Marnick	46,56,018	48,32,493
Advisory Fees	Motilal Oswal Securities Limited	55,04,590	–
TOTAL		1,01,60,608	48,32,493

Note: 'Income/receipts figures are shown in brackets.

NOTE 22 :

Previous period's figures have regrouped/rearranged where necessary to confirm the current year's classifications.

As per our Report of even date

For PGS & Associates

Chartered Accountants

Firm Registration No.: 122384W

For Motilal Oswal Capital Markets (Hongkong) Private Limited

Premal H Gandhi

Partner

M.No.: 111592

Place : Mumbai

Date : 21st May 2018

Abhijit Tare

Director

DIN No. 07682095

Place : Mumbai

Date : 21st May 2018

Martin Brendon Marnick

Director



Motilal Oswal Capital Markets (Singapore) Pte. Ltd.

Financial Statement 2017-2018

ACCOUNTANTS CERTIFICATE

The Board of Directors

Motilal Oswal Capital Markets (Singapore) Pte. Ltd.

We have verified the conversion of the accompanying condensed balance sheet of Motilal Oswal Capital Markets (Singapore) Pte. Ltd. as on March 31, 2018 and the related Statement of Profit and Loss for the year ended March 31, 2018 which has been prepared and certified by the Management of Motilal Oswal Financial Services Limited and denominated in Singapore Dollars, to Indian Rupees, with books of account and records maintained and produced to us for verification and information and explanations given to us by the management of the Motilal Oswal Financial Services Limited have found it to be in accordance therewith.

This certificate has been issued for the Management of the Company and to assist the auditors of the ultimate holding company with their review of the consolidated financial statement and should not be used for any other purpose.

For **PGS & Associates**

Chartered Accountants

Firm Registration No.: 122384W

Premal Gandhi

Partner

Membership No.:111592

Place: Mumbai

Date: 21st May 2018

BALANCE SHEET

BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note	As at 31-Mar-18 (₹)	As at 31-Mar-17 (₹)
EQUITY AND LIABILITIES			
Share Holders' Funds :			
Share Capital	1	10,40,87,500	10,40,87,500
Reserve and Surplus	2	1,38,31,393	33,11,147
Current Liabilities			
Other Current Liabilities	3	42,64,158	4,76,852
Short Term Provisions	4	32,77,327	20,82,869
TOTAL		12,54,60,379	10,99,58,368
ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	5	70,592	1,05,218
Long Term Loan and Advances	6	54,12,184	59,00,304
Current Assets			
Trade Receivables	7	2,54,57,300	58,86,764
Cash and Cash Equivalent	8	9,39,60,374	9,78,80,054
Short Term Loan and Advances	9	5,59,929	1,86,028
TOTAL		12,54,60,379	10,99,58,368

Notes Referred to above form an Integral part of the Financial Statement

As per our Report of Even Date

For PGS & Associates
Chartered Accountants
Firm Registration No.: 122384W

For Motilal Oswal Capital Market (Singapore) Pte. Ltd

Premal H Gandhi
Partner
M.No.: 111592
Place : Mumbai
Date : 21st May 2018

Abhijit Tare
Director
DIN No. 07682095
Place : Mumbai
Date : 21st May 2018

Ankit Sanghvi
Director

STATEMENT OF PROFIT AND LOSS

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2018

Particulars	Note	For the Period Ended 31-Mar-18 (₹)	For the Period Ended 31-Mar-17 (₹)
INCOME :			
Income from Operations	10	2,44,42,991	1,80,69,244
Other Income	11	4,282	
TOTAL REVENUE		2,44,47,273	1,80,69,244
EXPENSES :			
Employee Benefits	12	1,67,96,129	1,15,23,839
Depreciation	13	40,097	19,110
Other Expenses	14	44,18,545	41,69,432
TOTAL EXPENSES		2,12,54,771	1,57,12,381
Profit Before Tax		31,92,501	23,56,863
Tax Expense:			
Current Tax		84,415	1,76,891
Prior Year			(3,81,926)
Profit for the year /period		31,08,087	25,61,897
Earnings per Equity Share:			
Basic and Diluted		2.37	1.95
Equity Shares of Par Value SGD 1/- each			

Notes Referred to above form an Integral part of the Financial Statement

As per our Report of Even Date

For PGS & Associates
Chartered Accountants
Firm Registration No.: 122384W

For Motilal Oswal Capital Market (Singapore) Pte. Ltd

Premal H Gandhi
Partner
M.No.: 111592

Place : Mumbai
Date : 21st May 2018

Abhijit Tare
Director
DIN No. 07682095

Place : Mumbai
Date : 21st May 2018

Ankit Sanghvi
Director

CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	April 1,2017 to March 31, 2018 in ₹	April 1,2016 to March 31, 2017 in ₹
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	31,92,501	23,56,863
Change in Translation Differences on Foreign Currency Taken to Reserves	74,06,690	(22,90,565)
Depreciation	40,097	19,110
Adjustment for working capital changes :		
Increase/ (Decrease) in Current Liabilities	37,87,307	(11,07,099)
Increase/ (Decrease) in Short Term Provisions	11,94,458	16,38,732
(Increase) / Decrease in Short Term Loans and Advances	(3,73,901)	(46,24,005)
(Increase) / Decrease in Trade Receivables	(1,95,70,536)	(27,51,541)
(Increase) / Decrease Long Term Loan and Advances	4,88,119	
CASH GENERATED FROM OPERATIONS	(38,35,265)	(67,58,504)
Change in Tax Balance	(84,415)	2,05,035
NET CASH FROM OPERATING ACTIVITIES	(39,19,680)	(65,53,470)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets		
Interest Received		
Dividend Received		
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets		(1,24,329)
NET CASH FLOW FROM INVESTING ACTIVITIES	—	(1,24,329)
CASH FROM FINANCING ACTIVITIES		
Issue of Shares		9,42,00,000
Proceed/ (Repayment) of Unsecured Loans		
Interest Paid		
NET CASH FROM FINANCING ACTIVITIES	—	9,42,00,000
NET CASH FLOW FOR THE YEAR	(39,19,681)	8,75,22,202
Balance with Bank in Current Account as at the Opening of the Year	9,78,50,385	1,03,10,541
Cash On Hand	29,669	47,311
Balance with Bank In Current Account as at the End of the Year	93,6,81,132	9,78,50,385
Cash on Hand	2,79,242	29,669

As per our Report of Even Date

For PGS & Associates
Chartered Accountants
Firm Registration No.: 122384W

For Motilal Oswal Capital Market (Singapore) Pte. Ltd

Premal H Gandhi
Partner
M.No.: 111592

Place : Mumbai
Date : 21st May 2018

Abhijit Tare
Director
DIN No. 07682095

Place : Mumbai
Date : 21st May 2018

Ankit Sanghvi
Director

NOTES TO FINANCIAL STATEMENT

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED MARCH 31, 2018

NOTE 1 : SHARE CAPITAL

	As at 31-Mar-18 (₹)	As at 31-Mar-17 (₹)
Authorized :		
10,00,00,000 Equity Shares of SGD 1 Each	<u>3,700,000,000</u>	<u>3,700,000,000</u>
Issued, Subscribed and Paid Up:		
Equity shares of SGD 1 each fully paid up (All of the above 2,50,000 shares are held by Motilal Oswal Securities Limited, the Holding company)	98,87,500	98,87,500
Equity shares of SGD 1.8 each fully paid up (All of the above 11,11,111 shares are held by Motilal Oswal Securities Limited, the Holding company)	9,42,00,000	9,42,00,000
TOTAL	<u><u>10,40,87,500</u></u>	<u><u>10,40,87,500</u></u>

NOTE 2 : RESERVES AND SURPLUS

	As at 31-Mar-18 (₹)	As at 31-Mar-17 (₹)
Deficit in the statement of profit and loss		
Opening Balance	36,28,682	10,66,785
Net Profit for the year	31,08,087	25,61,897
	67,36,769	36,28,682
Foreign Currency Translation Reserve		
Opening Balance	(3,17,536)	19,73,029
Add : For the Current Year	74,12,161	(22,90,565)
Closing Balance	70,94,625	(3,17,536)
Closing Balance	<u><u>1,38,31,393</u></u>	<u><u>33,11,146</u></u>

NOTE 3 : OTHER CURRENT LIABILITIES

	As at 31-Mar-18 (₹)	As at 31-Mar-17 (₹)
Other Payables		
Creditors for Expenses	41,01,440	4,03,437
Outstanding Expenses	1,62,718	73,414
TOTAL	<u><u>42,64,158</u></u>	<u><u>4,76,852</u></u>

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 4 : SHORT TERM PROVISION

	As at 31-Mar-18 (₹)	As at 31-Mar-17 (₹)
Provision for Taxes	1,52,882	1,69,279
Provision for Ex Gratia	31,24,446	19,13,590
TOTAL	32,77,327	20,82,869

NOTE : 5

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK (MSG)		NET BLOCK (RUPEES)	
	As on 01.04.2017	Additions 2017-18	Deductions 2017-18	As on 31.3.2018	As on 01.04.2017	For the Year 2017-18	Deductions 2017-18	As on 31.3.2018	As on 31.3.2018	As on 31.03.2017	As on 31.3.2018	As on 31.03.2017
TANGIBLE ASSETS												
Computer	2269	-	-	2269	393	843	-	1,236	1,426	2,269	70,592	1,05,218

NOTE 6 : LONG TERM LOANS AND ADVANCES

	As at 31-Mar-18 (₹)	As at 31-Mar-17 (₹)
Deposits	54,12,184	59,00,304
TOTAL	54,12,184	59,00,304

NOTE 7 : TRADE RECEIVABLES

	As at 31-Mar-18 (₹)	As at 31-Mar-17 (₹)
Unsecured, Considered Good, Outstanding for a Period Less than Six Months	2,54,57,300	58,86,764
TOTAL	2,54,57,300	58,86,764

NOTE 8 : CASH AND BANK BALANCES

	As at 31-Mar-18 (₹)	As at 31-Mar-17 (₹)
Cash on Hand	2,79,242	29,669
Balance with Banks		
In Current Accounts	9,36,81,132	9,78,50,385
TOTAL	9,39,60,374	9,78,80,054

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 9 : SHORT TERM LOANS AND ADVANCES

	As at 31-Mar-18 (₹)	As at 31-Mar-17 (₹)
Advance Rent	1,29,905	1,21,437
Prepaid Expenses	4,30,024	64,590
TOTAL	5,59,929	1,86,028

NOTE 10 : INCOME FROM OPERATIONS

	For the Period Ended 31-Mar-18 (₹)	For the Period Ended 31-Mar-17 (₹)
Advisory Fees	2,44,42,991	1,80,69,244
TOTAL	2,44,42,991	1,80,69,244

NOTE 11 : OTHER INCOME

	For the Period Ended 31-Mar-18 (₹)	For the Period Ended 31-Mar-17 (₹)
Interest Income	4,282	-
TOTAL	4,282	-

NOTE 12 : EMPLOYEE BENEFITS

	For the Period Ended 31-Mar-18 (₹)	For the Period Ended 31-Mar-17 (₹)
Salaries and Incentives	1,28,28,569	1,10,42,303
Contribution to Provident Fund	4,90,607	4,18,902
ESOP Expense	34,34,283	-
Staff Welfare	42,670	62,634
TOTAL	1,67,96,129	1,15,23,839

NOTE 13 : DEPRECIATION

	For the Period Ended 31-Mar-18 (₹)	For the Period Ended 31-Mar-17 (₹)
Depreciation on Tangible Assets	40,097	19,110
TOTAL	40,097	19,110

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 14 : OTHER EXPENSES

	For the Period Ended 31-Mar-18 (₹)	For the Period Ended 31-Mar-17 (₹)
Rent	26,52,471	28,53,128
Legal and Professional Fees	6,99,056	4,44,460
Travelling	1,07,690	1,86,367
Auditor's Remuneration	1,66,388	1,69,616
Repairs and Maintenance	2,66,071	1,29,243
Communication Charges	1,26,829	1,38,695
Printing and Stationery	1,22,458	64,082
Client Entertainment Expenses	74,259	64,018
Staff Welfare		
Membership and Subscription Charges	5,087	4,846
Bank Charges	65,148	56,825
Miscellaneous Expenses	1,33,088	58,154
TOTAL	44,18,545	41,69,432

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

BACKGROUND

Motilal Oswal Capital Markets (Singapore) Pte Ltd. ('The Company') was incorporated in Singapore on September 28, 2011. The principal shareholder of the Company as at March 31, 2018 is Motilal Oswal Securities Limited (MOSL).

The Company's principal activity is to distribute research (produced by MOSL) and render financial advice on Indian equities to institutional investors in Singapore.

The transactions of the Company are in local currency, which have been converted into Indian Rupees for reporting purposes at the rate applied as per paragraph (c) of Note 2 of Significant Accounting Policies.

Motilal Oswal Capital Markets Singapore Pte Limited (MOCMSPL) is an exempt financial advisor under the Singapore Financial Advisers Act and a subsidiary of Motilal Oswal Securities Limited a SEBI registered Broker Dealer in India. As an Exempt Financial Advisor notified with MAS enables MOCMSPL to distribute in Singapore research and render financial advice on Indian Equities to accredited investors/Institutional Investors as defined in the Financial Advisers Regulations and the Securities and Futures Act (Chapter 289), as amended from time to time.

SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statement of the Company are prepared under the historical cost convention on the accrual basis of accounting and comply in all material aspects with accounting principles generally accepted in India.

(b) Use of estimates

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

NOTES TO FINANCIAL STATEMENT *(Contd..)*

(c) Conversion to Indian Rupees

For the purpose of these financial statement, all income and expense items are converted at the average rate of exchange applicable for the period. All assets and liabilities are translated at the closing rate as on the balance sheet date. The exchange difference arising out of the year-end translation is debited or credited to Translation Reserve and is disclosed as Reserves and Surplus. The share capital is carried forward at the rate of exchange prevailing on the transaction date.

(d) Revenue recognition

Revenue is recognized when there is a reasonable certainty of its ultimate realization/collection

Investment advisory fees is recognized on a accrual basis in accordance with the terms of the agreement with MOSL.

(e) Operating Leases

Lease rentals in respect of operating lease are charged to the statement of profit and loss as per the terms of the lease arrangement on a straight-line basis over the lease period.

(f) Taxes on income

Current tax is determined as the amount of tax payable in respect of taxable income for the year using the tax rates enacted or substantially enacted at the balance sheet date.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

(g) Earnings per share

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

(h) Contingencies and provisions

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

NOTE 15 :

During the year, The Company has issued 11,11,111 equity shares of SGD 1.8 (INR 84.78) each fully paid up on 5th January,2017. All the shares has been subscribed by its holding company Motilal Oswal Securities Limited.

NOTE 16 : TAXATION

Provision for the current tax has been made for Rs. 84,415 , Previous year Rs. (2,05,035)

NOTE 17 : OPERATING LEASES

The Company had taken office premises under operating lease or leave and license agreements.

During the year Rs. 26,52,471/- (Previous year 28,53,128/-) being lease rentals for the current year are recognized in the statement of profit and loss under the head " Rent ".

As at March 31, 2018 the total future minimum lease payments under non-cancellable operating leases are payable as follows :-

Operating Lease Commitments

Particulars	April 1, 2017 to March 31, 2018 (₹)	April 1, 2016 to March 31, 2017 (₹)
Payable within 1 year	27,17,032	27,36,999
Payable after 1 year but not later than 5 years		
TOTAL	27,17,032	27,36,999

NOTES TO FINANCIAL STATEMENT *(Contd..)*

The above operating lease commitments are based on known rental rates as at the date of this report and do not include any revision in rates which may be determined by the relevant authorities.

NOTE 18 : EARNINGS PER SHARE

The numerator and denominator used to calculate basic and diluted earnings per shares are as under:

Particulars	April 1, 2017 to March 31, 2018	April 1, 2016 to March 31, 2017
Profit attributable to equity shareholders (₹)	31,08,087	25,61,897
Weighted average number of equity shares outstanding during the year	13,61,111	5,11,796
Nominal value per share (₹)	76.47	76.47
Earnings per share (Basic and diluted) (₹)	2.28	5.01

NOTE 19 : TRANSLATION DIFFERENCES

The translation differences arising during the period on account of foreign currency have been directly taken to Reserves.

NOTE 20 : RELATED PARTY TRANSACTIONS

(i) Relationships during the year

A) Enterprises where control exists

- Motilal Oswal Securities Limited – Holding Company
- Motilal Oswal Financial Services Limited – Holding company of Motilal Oswal Securities Limited
- Passionate Investment Management Private Limited - Ultimate Holding company

B) Fellow subsidiaries

- Motilal Oswal Capital Markets Private Limited
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Insurance Brokers Private Limited
- 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 Wealth Management Private Limited
- Motilal Oswal Securities International Private Limited
- Motilal Oswal Asset Management Company
- Motilal Oswal Capital Market (Honkong) Pvt Ltd.
- Motilal Oswal Real Estate Investment Advisors Private Limited
- Motilal Oswal Real Estate Investment Advisors II Private Limited
- Aspire Home Finance Corporation Limited
- India Business Excellence Management Company
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Nagori Agro & Cattle Feeds Private Limited
- Motilal Oswal Capital Limited

C) Key management personnel

- Abhijit Tare - Director
- Kadambari Balachandaran - Director

NOTES TO FINANCIAL STATEMENT *(Contd..)*

ii) Transactions with related parties for the year ended March 31, 2018

Transactions	Name of the related Party	2017-18 (₹)	2016-17 (₹)
Advisory Fees (charged) / paid	Motilal Oswal Securities Limited	(2,44,42,991)	(1,80,69,244)
Director's remuneration	Kadambari Balachandaran	34,29,112	29,74,064
Director's remuneration	Varun Kumar	33,27,615	33,92,166
Director's remuneration	Sanghavi Ankit Kumarpal	14,21,000	
Advisory fees outstanding at the year end	Motilal Oswal Securities Limited	2,54,57,300	58,86,764

Note: 'Income/receipts figures are shown in brackets.

NOTE 21 :

Previous year figures have regrouped/ rearranged where necessary to confirm to current year's classifications.

Signatures to Notes forming part of the financial statement

For PGS & Associates

Chartered Accountants

Firm Registration No.: 122384W

Premal H Gandhi

Partner

M.No.: 111592

Place : Mumbai

Date : 21st May 2018

For Motilal Oswal Capital Market (Singapore) Pte. Ltd

Abhijit Tare

Director

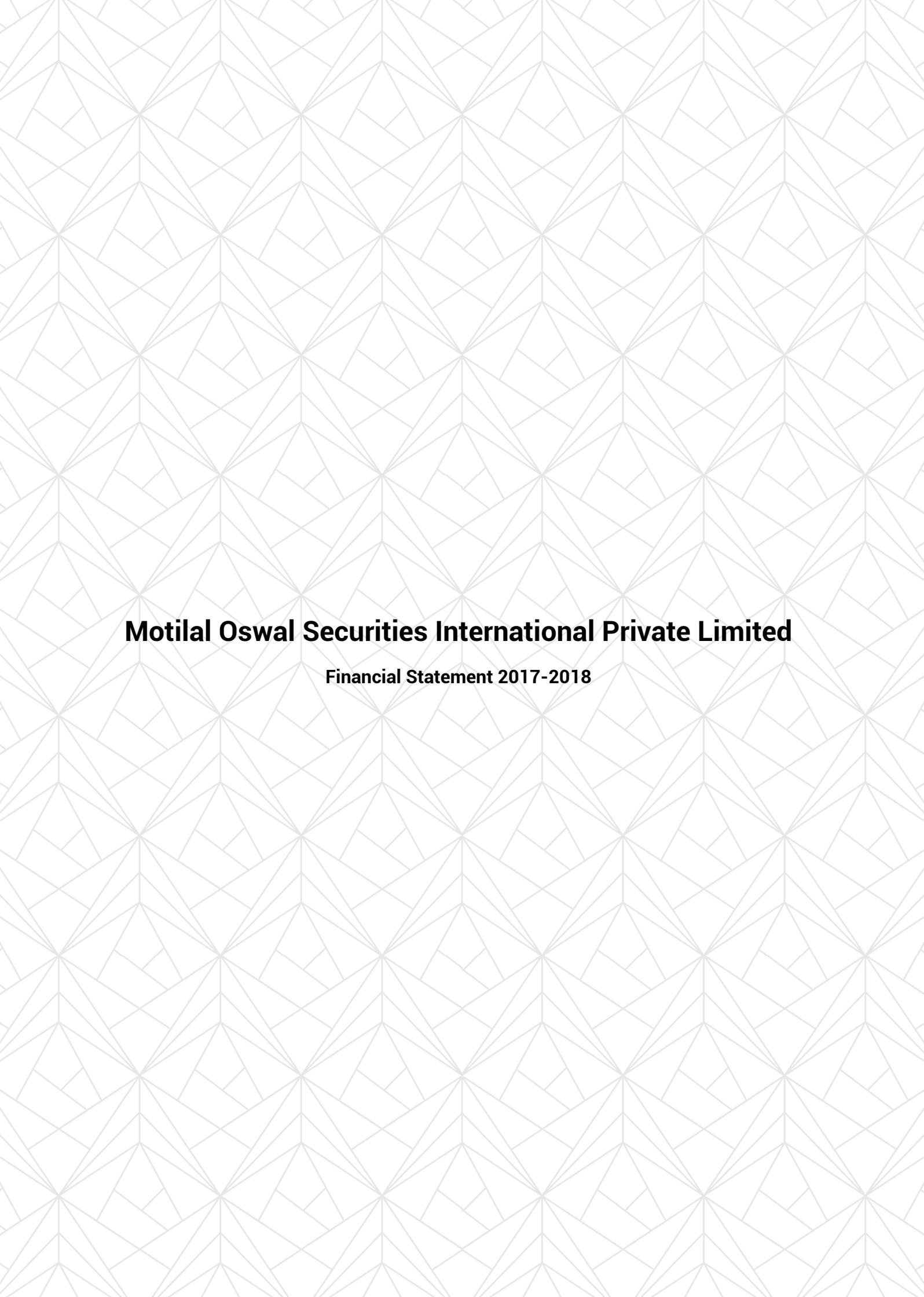
DIN No. 07682095

Place : Mumbai

Date : 21st May 2018

Ankit Sanghvi

Director



Motilal Oswal Securities International Private Limited

Financial Statement 2017-2018

INDEPENDENT AUDITORS' REPORT

To the Members of MOTILAL OSWAL SECURITIES INTERNATIONAL PRIVATE LIMITED

Report on the Standalone Financial Statement

We have audited the accompanying financial statement of Motilal Oswal Securities International Private Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statement based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the annexure A, a statement of the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from the examination of those books;

INDEPENDENT AUDITORS' REPORT *(Contd..)*

- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. in our opinion the aforesaid standalone financial statement comply with the accounting standards notified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. on the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164(2) of the Act.
- f. the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, is not applicable to the Company based on the amendment to notification no 464 E issued on 13th June 2017, and
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the companies (Audit and Auditor) Rule 2014, in our opinion to the best of our information and according to the explanations given to us:
 - i) The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - ii) there are no pending litigations on its financial position in the financials statement that need to be disclosed by the Company
 - ii) There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund

For **PGS & Associates**
Chartered Accountants
Firm Registration No.: 122384W

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: 19th May, 2018

ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The Company did not have any inventory at anytime during the year. Hence, the requirements of clause (ii) of paragraph 3 of the said Order are not applicable to the Company.
3. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. Hence, the requirements of sub clause (a) (b) & (c) to clause (iii) of paragraph 3 of the said Order are not applicable to the Company.
4. According to the information and explanation given to us, in respect of loans, investments, guarantees, and security the company has complied with the provisions of section 185 and 186 of the companies Act, 2013.
5. The Company has not accepted any deposits from the public under the provisions of Sections 73 to 76 or any relevant provisions of the Companies Act and the rules framed there under.
6. Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records under sub-section (1) of section 148 of the Companies Act in respect of its products.
7. (a) According to the information and explanation given to us and the records of the Company examined by us in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of investor education and protection fund, income-tax, sales- tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable with the appropriate authorities in India.
(b) According to the information and explanations given to us, and the records of the Company examined by us, there are no dues in respect of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess as at March 31, 2018 which have not been deposited on account of any dispute.
8. The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, Paragraph 3 (viii) of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
10. According to the information and explanations given to us, we have neither come across any instance of fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year, nor have been informed of such case by the management.
11. The Company has not paid/provided any managerial remuneration under the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. In our opinion, and according to the information and explanation given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us, and the records of the Company examined by us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statement etc., as required by the Accounting Standard (AS) 18 – Related Party Transaction.
14. According to the information and explanations given to us, and the records of the Company examined by us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. According to the information and explanations given to us, and the records of the Company examined by us, the company has not entered into any non-cash transactions with directors or persons connected with him.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **PGS & Associates**
Chartered Accountants
Firm Registration No.:122384W

Premal H Gandhi
Partner
Membership No. 111592
Place: Mumbai
Date: 19th May, 2018

BALANCE SHEET

BALANCE SHEET AS AT 31 MARCH, 2018

	Note No.	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
EQUITY & LIABILITIES			
Share Holder's Funds:			
Share Capital	1	4,56,92,000	4,56,92,000
Reserves & Surplus	2	(12,93,010)	(33,92,868)
		4,43,98,990	4,22,99,132
Non-Current Liabilities			
Long Term Provisions	3	2,37,672	1,33,622
		2,37,672	1,33,622
Current Liabilities			
Other Current Liabilities	4	33,79,655	4,37,515
Short Term Provisions	5	39,38,494	23,37,761
		73,18,149	27,75,276
TOTAL		5,19,54,812	4,52,08,030
ASSETS			
Non-Current Assets			
Fixed assets			
(a) Tangible assets	6	40,320	–
Long Term Loans and Advances	7	34,06,467	17,42,434
Deferred Tax Assets (net)	8	6,54,487	8,31,112
		41,01,275	25,73,546
Current Assets			
Cash and Cash Equivalents	9	4,10,45,015	3,79,69,168
Trade Receivables	10	52,65,962	26,81,461
Other Current Assets	11	15,42,560	19,83,855
		4,78,53,537	4,26,34,484
TOTAL		5,19,54,812	4,52,08,030

Notes referred above form part is an integral part of financial statement.

As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number :122384W

For and on behalf of the Board of
Motilal Oswal Securities International Private Limited

Premal Gandhi
Partner
M.No. : 111592
Place : Mumbai
Date : 19th May 2018

Abhijit Tare
Director
DIN : 07682095
Place : Mumbai
Date : 19th May 2018

Harsh Joshi
Director
DIN No: 02951058

STATEMENT OF PROFIT AND LOSS

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED 31 MARCH, 2018

Particulars	Note No.	For the Year Ended 31-Mar-18 (In ₹)	For the Year Ended 31-Mar-17 (In ₹)
INCOME			
Revenue from Operations	12	2,21,24,954	1,87,45,322
Other Income	13	–	1,61,400
Total Income		2,21,24,954	1,89,06,722
EXPENSES			
Employee Benefits	14	96,94,106	66,39,757
Other Expense	15	95,44,984	1,30,07,523
Depreciation	6	7,561	–
Total Expenses		1,92,46,651	1,96,47,280
Profit/(Loss) Before Tax		28,78,303	-740,558
Tax Expense:			
Current Tax		5,48,461	4,92,098
MAT credit (entitlement)/utilisation		53,359	–
Deferred Tax		1,76,625	4,04,882
For previous year(s) (Income tax)		–	2,901
Profit/(Loss) for the year		20,99,858	(16,40,440)
Earnings Per Share (₹)			
Basic and Diluted Earnings/(Loss) per share (Face value of ₹ 10 each)		0.46	(0.36)

Notes referred above form part is an integral part of financial statement.

As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number :122384W

For and on behalf of the Board of
Motilal Oswal Securities International Private Limited

Premal Gandhi
Partner
M.No. : 111592
Place : Mumbai
Date : 19th May 2018

Abhijit Tare
Director
DIN : 07682095
Place : Mumbai
Date : 19th May 2018

Harsh Joshi
Director
DIN No: 02951058

CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

Particulars	For the Year Ended 31-Mar-18 In (₹)	For the Year Ended 31-Mar-17 In (₹)
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT/(LOSS) BEFORE TAX	28,78,303	(7,40,558)
Add/(Less):		
1) Depreciation	7,561	–
1) Effect Of Exchange Rate Changes	32,157	57,600
	39,718	57,600
OPERATING PROFIT/(LOSS)	29,18,021	(6,82,958)
Adjustment For:		
(Increase)/Decrease In Sundry Debtors	(25,84,501)	34,580
(Increase)/Decrease In Other Current Assets	441,295	1,41,066
(Increase)/Decrease In Long Term Loans & Advances	(16,64,033)	15,62,727
Increase/ (Decrease) In Short Term Provision	16,00,733	2,57,670
Increase/ (Decrease) In Long term Provision	1,04,050	70,872
Increase/ (Decrease) In Other Current Liabilities	29,42,141	(9,37,982)
Cash Generated from Operations	37,57,706	4,45,975
Taxes Paid	(6,01,818)	(4,94,999)
NET CASH FROM OPERATING ACTIVITIES	31,55,887	(49,024)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(47,881)	–
NET CASH FLOW FROM INVESTING ACTIVITIES	(47,881)	–
CASH FLOW FROM FINANCING ACTIVITIES		
NET CASH FLOW FOR THE YEAR	31,08,006	(49,024)
Cash & Cash Equivalents As At 1.4.2017	3,79,33,190	3,79,82,214
Balances With bank	3,79,69,168	3,80,75,792
Effect Of Exchange Rate Changes	(35,978)	(93,578)
Cash & Cash Equivalents As At 31.3.2018	41,041,196	3,79,33,190
Cheques In hand	–	–
Balances With bank	4,10,45,015	3,79,69,168
Effect of Exchange Rate Changes	(3,819)	(35,978)

As per our report of even date

For PGS & Associates
Chartered Accountants
Firm Number :122384W

Premal Gandhi
Partner
M.No. : 111592
Place : Mumbai
Date : 19th May 2018

For and on behalf of the Board of
Motilal Oswal Securities International Private Limited

Abhijit Tare
Director
DIN : 07682095
Place : Mumbai
Date : 19th May 2018

Harsh Joshi
Director
DIN No: 02951058

NOTES TO FINANCIAL STATEMENT

NOTE 1 : SHARE CAPITAL

Particulars	As at 31-Mar-18 In (₹)	As at 31-Mar-17 In (₹)
Authorised:		
1,00,00,000 Equity Shares of ₹ 10/- each	10,00,00,000	10,00,00,000
	<u>10,00,00,000</u>	<u>10,00,00,000</u>
Issued, Subscribed and Paid Up:		
45,69,200 Equity Shares of ₹ 10/- each. (All the above, equity shares are held by Motilal Oswal Securities Limited the holding company and it's nominee)	4,56,92,000	4,56,92,000
TOTAL	<u>4,56,92,000</u>	<u>4,56,92,000</u>

1.1 Reconciliation of number of Equity shares outstanding

	As at 31-Mar-18 Numbers	As at 31-Mar-17 Numbers
Number of shares at beginning of the year	45,69,200	45,69,200
Add: Shares issued during this year	—	—
Number of shares at the end of the year	<u>45,69,200</u>	<u>45,69,200</u>

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

	As at 31-Mar-18		As at 31-Mar-17	
	No. of shares	% of holding	No. of shares	% of holding
Motilal Oswal Securities Ltd. (Holding Company)	<u>45,69,200</u>	<u>100</u>	<u>45,69,200</u>	<u>100</u>

NOTE 2 : RESERVES & SURPLUS

	As at 31-Mar-18 In (₹)	As at 31-Mar-17 In (₹)
Profit & Loss Account		
Opening balance	(33,92,868)	(17,52,428)
Add: Additions during the year	20,99,858	(16,40,440)
TOTAL	<u>(12,93,010)</u>	<u>(33,92,868)</u>

NOTE 3 : LONG TERM PROVISIONS

	As at 31-Mar-18 In (₹)	As at 31-Mar-17 In (₹)
Provision for Gratuity (Refer Note No. 20)	2,37,672	1,33,622
TOTAL	<u>2,37,672</u>	<u>1,33,622</u>

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 4 : OTHER CURRENT LIABILITIES

	As at 31-Mar-18 In (₹)	As at 31-Mar-17 In (₹)
Taxes payable	12,86,002	1,87,469
Accrued salary and benefits	5,896	17,753
Payable for Expenses	20,87,757	2,32,293
TOTAL	33,79,655	4,37,515

NOTE 5 : SHORT TERM PROVISIONS

	As at 31-Mar-18 In (₹)	As at 31-Mar-17 In (₹)
Ex-gratia Payable	37,00,000	12,00,000
Other Provisions	1,47,144	11,37,300
Provision for Gratuity (Refer Note No. 20)	91,350	461
TOTAL	39,38,494	23,37,761

NOTE 6 : FIXED ASSETS

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Opening	Additions	Deductions	Closing	Opening	Additions	Deductions	Closing	Opening	Closing
Computer-1		47,881		47,881		7,561		7,561	-	40,320
	-	47,881	-	47,881	-	7,561	-	7,561	-	40,320

NOTE 7 : LONG TERM LOANS AND ADVANCES

	As at 31-Mar-18 In (₹)	As at 31-Mar-17 In (₹)
Advance Tax (net of provisions C.Y. 5,48,461 & L.Y. 4,92,098)	30,46,467	13,82,434
Rent Deposit	3,60,000	3,60,000
TOTAL	34,06,467	17,42,434

NOTE 8 : DEFERRED TAX (LIABILITIES)/ASSETS

	As at 31-Mar-18 In (₹)	As at 31-Mar-17 In (₹)
Provision for Gratuity	84,723	34,526
WDV of licence	5,70,283	7,96,586
WDV of fixed asset	(519)	-
TOTAL	6,54,487	8,31,112

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 9 : CASH & CASH EQUIVALENTS

	As at 31-Mar-18 In (₹)	As at 31-Mar-17 In (₹)
Cash in Hand	–	–
Balance with:		
Scheduled Bank - In Current Account	4,10,45,015	3,79,69,168
TOTAL	4,10,45,015	3,79,69,168

NOTE 10 : TRADE RECEIVABLES

	As at 31-Mar-18 In (₹)	As at 31-Mar-17 In (₹)
Unsecured, considered good, outstanding for a period less than six months	52,65,962	26,81,461
TOTAL	52,65,962	26,81,461

NOTE 11 : OTHER CURRENT ASSETS

	As at 31-Mar-18 In (₹)	As at 31-Mar-17 In (₹)
Prepaid Expense	1,25,302	3,54,756
Service Tax Credit	–	1,58,973
Mat Credit Entitlement	13,63,536	14,16,895
Advance Against Expenses	53,722	53,231
TOTAL	15,42,560	19,83,855

NOTE 12 : REVENUE FROM OPERATIONS

Particulars	For the Year Ended 31-Mar-18 In (₹)	For the Year Ended 31-Mar-17 In (₹)
Advisory Fees	2,21,24,954	1,87,45,322
TOTAL	2,21,24,954	1,87,45,322

NOTE 13 : OTHER INCOME

Particulars	For the Year Ended 31-Mar-18 In (₹)	For the Year Ended 31-Mar-17 In (₹)
Interest on Bank	–	–
Interest on Income tax Refund	–	1,61,400
TOTAL	–	1,61,400

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 14 : EMPLOYEE BENEFITS

Particulars	For the Year Ended 31-Mar-18 (In ₹)	For the Year Ended 31-Mar-17 (In ₹)
Salaries and Incentives	94,99,167	65,68,425
Gratuity	1,94,939	71,332
TOTAL	96,94,106	66,39,757

NOTE 15 : OTHER EXPENSES

Particulars	For the Year Ended 31-Mar-18 (In ₹)	For the Year Ended 31-Mar-17 (In ₹)
Registration Charges	—	25,560
Remuneration to Auditors (Refer Note No. 17)	16,44,437	17,63,116
Legal & Professional Fees	38,11,615	32,32,500
Examination Fees	1,26,283	1,72,644
Rent to MOSL	7,20,900	7,23,600
Consultancy Charges	8,88,000	8,88,000
Membership and Subscription Fees	7,61,793	5,12,802
Client Entertainment Expenses	—	16,473
Communication Expenses	20,841	37,744
Rent Rates & Taxes	2,154	33,47,873
Travelling Expenses	5,75,474	11,80,869
Back up Charges	-337	28,482
Bank Charges	63,747	58,374
Business Support Charges	1,80,225	1,80,900
Foreign Exchange Fluctuation	(3,331)	16,981
Insurance Charges	7,43,513	8,20,847
Miscellaneous Expenses	9,670	759
TOTAL	95,44,984	1,30,07,523

NOTE 16 : SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of Financial Statement:

The accompanying financial statement are prepared under the historical cost convention, on the accrual basis of accounting and comply in all material respects with the accounting standards issued by the Institute of Chartered Accountants of India/accounting standards notified under section 133 of the Companies Act, 2013 and in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014 issued by Institute of Chartered Accountant of India and the provisions of the Companies Act, 2013.

Use of Estimates:

The preparation of the financial statement in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statement are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statement. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statement. Any differences of actual results to such estimates are recognized in the period in which the results are known/materialized.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Revenue Recognition:

- a. Revenue is recognised when there is a reasonable certainty of its ultimate realisation/collection.
- b. Advisory fees is recognised on a accrual basis in accordance with the terms of the agreement with Motilal Oswal Securities Limited.

Taxation:

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) & deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

Current Tax:

Provision for current tax is made on the basis of estimated taxable income for the accounting period in accordance with the Income Tax Act, 1961.

Deferred taxation:

The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

Provisions and Contingencies:

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

For PGS & Associates
Chartered Accountants
Firm Number :122384W

For and on behalf of the Board of
Motilal Oswal Securities International Private Limited

Premal Gandhi
Partner
M.No. : 111592
Place : Mumbai
Date : 19th May 2018

Abhijit Tare
Director
DIN : 07682095
Place : Mumbai
Date : 19th May 2018

Harsh Joshi
Director
DIN No: 02951058

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTES TO ACCOUNTS

Motilal Oswal Securities Limited (MOSL) is a company registered under SEBI with broker license to carry on securities business in India. As part of its broking business, it deals with Foreign Institutional Investors who have been domiciled in the United States (U.S) as regards their investments in Indian Equities. In order to cater to such U.S. based Institutions within the framework provided by SEC, MOSL has set up a 100% subsidiary domiciled in India - Motilal Oswal Securities International Private Limited (MOSIPL) which has received approval for broker dealer registration from FINRA. The Company will only reach out to Major Institutional Investors as defined in Rule 15a-6. The main activity of MOSIPL would be to distribute research published in India and advise institutional clients based in United States(U.S.) on investments in Indian equity markets and serve as a chaperoning broker dealer pursuant to Rule 15 a-6(a)(3) of the U.S. Securities Exchange Act 1934, as amended by the U.S. Securities and Exchange Commission (SEC).

For Rajesh Dharamshi:

- 1) The Company has entered into a Management Services Agreement with Mr. Rajesh Dharamshi for rendering services in capacity of independent contractor for Business Development to perform such functions as mutually decided, agreed by the parties and is stated in the service agreement at a retainership fees of ₹ 74,000 subject to tax deducted at source at the prevailing rates in force on a monthly basis
- 2) Remuneration payable to them would be in capacity of Independent Contractor and not in the capacity of Director of the Company; as a result the remuneration payable to him would be construed purely on grounds of Professional nature.
- 3) The remuneration paid to them would not be included for calculation of remuneration payable to Directors as per the provision of Section 197 of the Companies Act, 2013.
- 4) As per section 197 of the Companies Act, 2013, the Company is in the process of making an appropriate application to the Central Government for seeking its opinion that the services rendered by them are of professional nature and not in the capacity as Director of the Company.

NOTE 17 : AUDITORS' REMUNERATION

Auditor's Remuneration (inclusive of Service Tax):

Particulars	For the Year Ended 31-Mar-18 (In ₹)	For the Year Ended 31-Mar-17 (In ₹)
As Auditors:		
Audit fees	16,44,437	17,63,116
In any other capacity, in respect of:		
Other Certification	—	—
TOTAL	16,44,437	17,63,116

NOTE 18 : BASIC & DILUTED EARNINGS PER SHARE

Particulars	For the Year Ended 31-Mar-18 (In ₹)	For the Year Ended 31-Mar-17 (In ₹)
Net Profit/(Loss) attributable to equity shareholders [A] (₹)	20,99,858	(16,40,440)
Weighted Average Number of equity shares issued [B]	45,69,200	45,69,200
Basic & Diluted Earnings per share (EPS)[A/B] (₹)	0.46	(0.36)

NOTE 19 : DEFERRED TAX ASSETS / (LIABILITY)

In the presence of virtual certainty of realization of carried forward tax losses, management has created deferred tax assets for the year under review. The same will be reassessed at subsequent balance sheet date and will be accounted for in the year of virtual certainty. The component of Deferred Tax Assets/(Liabilities) are as under.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Particulars	For the Year Ended 31-Mar-18 (In ₹)	For the Year Ended 31-Mar-17 (In ₹)
Provision for gratuity	84,723	34,526
WDV of assets	5,69,764	7,96,586
Deferred Tax (Liability)/Assets	6,54,487	8,31,112

NOTE 20 : GRATUITY PLAN

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

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

Period Covered	2017-18	2016-17
Assumptions as at	31/Mar/18	31/Mar/17
Interest / Discount Rate	6.85%p.a.	6.69%p.a.
Expected Return on Plan Assets		
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Rate of increase in compensation	11.15%	6%p.a.
Disability	Nil	Nil
Employee Attrition Rate (Past Service)	PS: 0 to 37 : 33.33%	PS: 0 to 37 : 33.33%
Expected average remaining service	1.99	1.99

20.2 Changes in the present value of the obligations

Particulars	31-Mar-18 (In ₹)	31-Mar-17 (In ₹)
Present value of obligation at beginning of the period	1,06,533	62,750
Interest cost	7,127	4,700
Current service cost	1,19,989	59,706
Past service cost - (non vested benefit)	752	—
Past service cost - (vested benefit)	—	—
Benefits paid	—	—
Actuarial (gain) loss on obligation	48,852	(20,623)
Present value of obligation at end of the period	2,83,253	1,06,533

20.3 Changes in fair value of the plan assets

Particulars	31-Mar-18 (In ₹)	31-Mar-17 (In ₹)
Fair value of plan assets at beginning of the period	—	—
Expected return on plan assets	—	—
Contributions	—	—
Benefits paid	—	—
Actuarial gain (Loss) plan assets	—	—
Fair value of plan assets at end of the period	—	—

20.4 Fair value of plan assets

Particulars	31-Mar-18 (In ₹)	31-Mar-17 (In ₹)
Fair value of plan assets at beginning of the period	—	—
Actual return on plan assets	—	—
Contributions	—	—
Benefit paid	—	—
Fair value of plan assets at end of the period	—	—
Funded Status (including unrecognized past service cost)	(2,83,253)	(1,06,533)
Excess of actual over estimated return on plan assets	—	—

NOTES TO FINANCIAL STATEMENT *(Contd..)*

20.5 Experience History

Particulars	31-Mar-18 (In ₹)	31-Mar-17 (In ₹)	31-Mar-16 (In ₹)
(Gain)/Loss on obligation due to change in Assumption	39,973	(29,806)	(82,068)
Experience (Gain)/Loss on obligation	8,879	9,183	(2,53,032)
Actuarial (Gain)/Loss on plan asset		–	–

20.6 Actuarial Gain/(Loss) Recognized

Particulars	31-Mar-18 (In ₹)	31-Mar-17 (In ₹)
Actuarial Gain/(Loss) for the period (obligation)	(48,852)	20,623
Actuarial Gain/(Loss) for the period (plan assets)	–	–
Total Gain/(Loss) for the period	(48,852)	20,623
Actuarial Gain/(Loss) recognized for the period	(48,852)	20,623
Unrecognized Actuarial Gain/(Loss) at the end of the period	–	–

20.7 Past service cost recognized

Particulars	31-Mar-18 (In ₹)	31-Mar-17 (In ₹)
Past service cost - (non vested benefit)	752	–
Past service cost - (vested benefit)	–	–
Average remaining future service till vesting benefit	2	–
Recognized Past service cost - non vested benefits	376	–
Recognized Past service cost - vested benefits	–	–
Unrecognized Past service cost - non vested benefits	376	–

20.8 Amounts to be recognized in the balance sheet and statement of profit & loss account

Particulars	31-Mar-18 (In ₹)	31-Mar-17 (In ₹)
Present value of obligation at end of period	2,83,253	1,06,533
Fair value of plan assets at end of period	–	–
Funded status	(,283,253)	(1,06,533)
Unrecognised Actuarial Gain/(Loss)	–	–
Unrecognised past service cost - non vested benefits	3,76.00	–
Net Liability/ (Asset) recognised in the Balance Sheet	(2,82,877)	(1,06,533)

20.9 Profit and Loss Account – Expense

Particulars	31-Mar-18 (In ₹)	31-Mar-17 (In ₹)
Current service cost	1,19,989	59,706
Interest cost	71,27	4,700
Past service cost - (non vested benefit)	752	–
Past service cost - (vested benefit)	–	–
Unrecognised past service cost - non vested benefits	(376.00)	–
Expected return on plan assets	–	–
Net actuarial (gain)/ loss recognised for the period	48,852	(20,623)
Expenses Recognised in the statement of Profit & Loss Account	1,76,344	43,783

20.10 Movement in net liability recognized in the Balance Sheet

Particulars	31-Mar-18 (In ₹)	31-Mar-17 (In ₹)
Opening net liability	1,06,533	62,750
Expenses as above	1,76,344	43,783
Contribution paid	–	–
Closing net Liability	282,877	106,533

NOTES TO FINANCIAL STATEMENT *(Contd..)*

20.11 Schedule III of the Companies Act 2013

Particulars	31-Mar-18 (In ₹)	31-Mar-17 (In ₹)
Current Liability	72,848	460
Non-Current Liability	2,10,029	1,06,073
Heritage Club Benefits		
Non-Current Liability	4,61,44.00	2,75,49.00

NOTE 21 : RELATED PARTY DISCLOSURE

I. Names of Related Parties:

A) Enterprises where control exists:

- Motilal Oswal Securities Limited - Holding Company
- Motilal Oswal Financial Services Limited – Holding Company of Motilal Oswal Securities Limited
- Passionate Investment Management Private Limited - Ultimate Holding Company

Transactions with related parties: 31-03-2018

In (₹)

Particulars	Name of the related Party	31-Mar-18	31-Mar-17
Rent	Motilal Oswal Securities Limited	7,20,000	7,20,000
Business Support Service	Motilal Oswal Securities Limited	1,80,000	1,80,000
Advisory Fees	Motilal Oswal Securities Limited	(2,21,24,954)	(1,87,45,322)
Trade Receivables	Motilal Oswal Securities Limited	–	4,000
Consultancy charges	Rajesh Dharamshi	8,88,000	8,88,000

Note: Income/receipts figures are shown in brackets.

B) Fellow subsidiaries:

- Motilal Oswal Capital Markets Private Limited
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Fincap Private Limited (formerly known as Motilal Oswal Insurance Brokers Private Limited)
- 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 Wealth Management Limited
- Motilal Oswal Asset Management Company
- Motilal Oswal Capital Market (Hongkong) Pvt Ltd.
- Motilal Oswal Capital Market (Singapore) Pte Ltd.
- Motilal Oswal Real Estate Investment Advisors Private Limited
- Motilal Oswal Real Estate Investment Advisors II Private Limited
- Aspire Home Finance Corporation Limited
- India Business Excellence Management Company
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Nagori Agro & Cattle Feeds Private Limited
- Motilal Oswal Capital Limited

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 22 : SEGMENT INFORMATION

The Company is engaged in single segment as defined in Accounting Standard - 17, hence there are no other reportable segments.

NOTE 23 : EXPENSES INCURRED IN FOREIGN CURRENCY

Particulars	31-Mar-18 (In ₹)	31-Mar-17 (In ₹)
Audit Fees	16,13,843	17,63,116
Back up charges	(337)	28,482
Registration Charges	–	25,560
Examination Fees	1,26,283	1,72,644
Membership Charges	7,61,793	5,12,802
Travelling Overseas	1,81,788	10,13,054
	26,83,370	35,15,658

24. In the opinion of the Board of Directors, all current assets, loans and advances would be realizable at least of an amount equal to the amount at which they are stated in the Balance sheet. There is no impairment in the Fixed Assets.

As per our report of even date

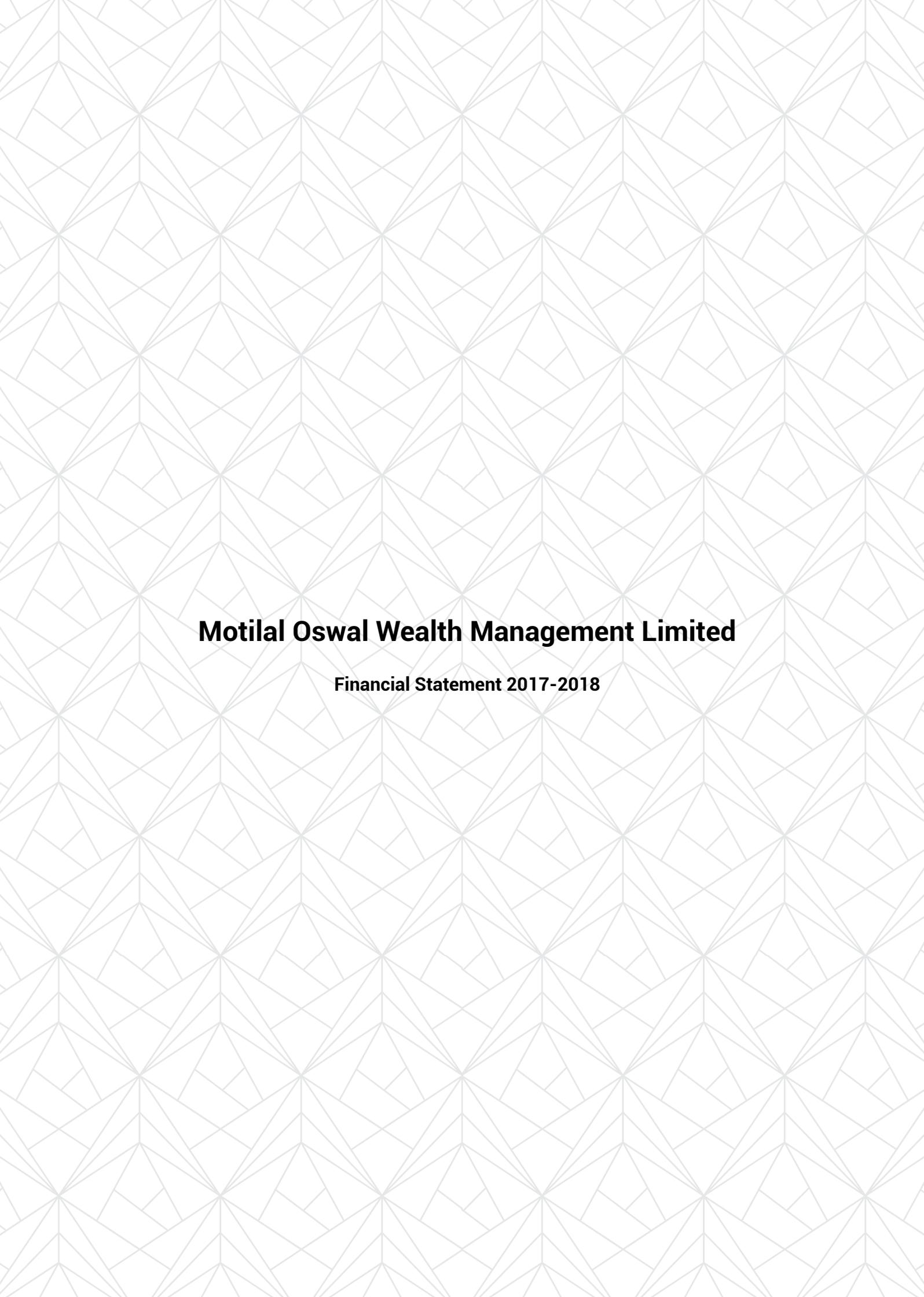
For PGS & Associates
Chartered Accountants
Firm Number : 122384W

For and on behalf of the Board of
Motilal Oswal Securities International Private Limited

Premal Gandhi
Partner
M.No. : 111592
Place : Mumbai
Date : 19th May 2018

Abhijit Tare
Director
DIN : 07682095
Place : Mumbai
Date : 19th May 2018

Harsh Joshi
Director
DIN No: 02951058



Motilal Oswal Wealth Management Limited

Financial Statement 2017-2018

INDEPENDENT AUDITORS' REPORT

To,

The Members of Motilal Oswal Wealth Management Limited

REPORT ON THE STANDALONE FINANCIAL STATEMENT

1. We have audited the accompanying standalone financial statement of Motilal Oswal Wealth Management Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENT

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statement, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

OPINION

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. 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 A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. Further to our comments in annexure A, as required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

INDEPENDENT AUDITORS' REPORT *(Contd..)*

- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the standalone financial statement dealt with by this report are in agreement with the books of account
- d. in our opinion, the aforesaid standalone financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e. on the basis of the written representations received from the directors as on 31 March 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- f. we have also audited the internal financial controls over financial reporting of the Company as of 31 March 2018 in conjunction with our audit of the standalone financial statement of the Company for the year ended on that date and our report dated 19/05/2018 as per annexure B.
- 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its standalone financial position
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

For **PGS & ASSOCIATES**

Chartered Accountants

Firm Registration No.: 122384W

Premal H Gandhi

Partner

Membership No. 111592

Place: Mumbai

Date: May 19, 2018

INDEPENDENT AUDITORS' REPORT *(Contd..)*

Annexure A referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
2. The Company did not have any inventory at any time during the year. Hence, the requirements of clause (ii) of paragraph 3 of the said Order are not applicable to the Company.
3. The Company has granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. Hence, the requirements of sub clause (a) (b) & (c) to clause (iii) of paragraph 3 of the said Order are not applicable to the Company.
4. According to the information and explanation given to us, in respect of loans, investments, guarantees, and security the company has complied with the provisions of section 185 and 186 of the companies Act, 2013.
5. The Company has not accepted any deposits from the public under the provisions of Sections 73 to 76 or any relevant provisions of the Companies Act and the rules framed there under.
6. Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records under sub-section (1) of section 148 of the Companies Act in respect of its products.
7. (a) According to the information and explanation given to us and the records of the Company examined by us in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of investor education and protection fund, income-tax, sales- tax, wealth tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable with the appropriate authorities in India.
(b) According to the information and explanations given to us, and the records of the Company examined by us, there are no dues in respect of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess as at March 31, 2018 which have not been deposited on account of any dispute.
8. The Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, Paragraph 3 (viii) of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
10. According to the information and explanations given to us, we have neither come across any instance of fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year, nor have been informed of such case by the management.
11. The Company has not paid/provided any managerial remuneration under the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. In our opinion, and according to the information and explanation given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us, and the records of the Company examined by us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statement etc., as required by the Accounting Standard (AS) 18 – Related Party Transaction.
14. According to the information and explanations given to us, and the records of the Company examined by us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. According to the information and explanations given to us, and the records of the Company examined by us, the company has not entered into any non-cash transactions with directors or persons connected with him.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **PGS & ASSOCIATES**
Chartered Accountants
Firm Registration No.:122384W

Premal H Gandhi
Partner

Membership No. 111592

Place: Mumbai
Date: May 19, 2018

ANNEXURE B TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of Motilal Oswal Wealth Management Limited ('the Company') as of 31 March 2018 in conjunction with our audit of the standalone financial statement of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error.

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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

INDEPENDENT AUDITORS' REPORT *(Contd..)*

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **PGS & ASSOCIATES**

Chartered Accountants

Firm Registration No.: 122384W

Premal H Gandhi

Partner

Membership No. 111592

Place: Mumbai

Date: May 19, 2018

BALANCE SHEET

BALANCE SHEET AS AT 31ST MARCH, 2018

	Note No.	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
I. EQUITY AND LIABILITIES			
A. Share Holder's Funds :			
(a) Share Capital	1	8,00,000	8,00,000
(b) Reserve and Surplus	2	65,90,74,453	34,46,77,656
	(A)	65,98,74,453	34,54,77,656
B. Non-Current Liabilities			
(a) Other Long-term Liabilities	3	54,76,950	80,96,880
(b) Long-term Provision	4	1,81,74,168	1,27,94,987
	(B)	2,36,51,118	2,08,91,867
C. Current Liabilities			
(a) Short-term Borrowings	5	3,35,00,000	4,75,00,000
(b) Other Current Liabilities	6	4,42,12,273	4,05,34,703
(c) Short-term Provision	7	11,48,23,196	10,52,50,221
	(C)	19,25,35,469	19,32,84,924
TOTAL	(A+B+C)	87,60,61,040	55,96,54,447
II. ASSETS			
D. Non-Current Assets			
(a) Fixed Assets	8		
(i) Tangible Assets		3,18,21,470	2,84,31,321
(ii) Intangible Assets		5,12,344	16,45,260
(b) Long-term Loans and Advances	9	1,65,34,629	1,45,71,080
(c) Non-Current Investments	10	62,24,15,010	30,00,00,010
(d) Deferred Tax Assets	11	82,09,605	41,52,902
	(D)	67,94,93,058	34,88,00,573
E. Current Assets			
(a) Cash and Cash Equivalents	12	57,56,316	10,661,111
(b) Short-term Loan and Advances	13	1,15,92,599	3,88,10,224
(c) Trade Receivables	14	17,86,54,808	16,07,36,764
(d) Other Current Assets	15	5,64,259	6,45,775
	(E)	19,65,67,982	21,08,53,874
TOTAL	(D+E)	87,60,61,040	55,96,54,447

Notes referred to above form an integral part of these financial statement

As per our attached report of even date

For PGS & Associates

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

M.No. : 111592

Place : Mumbai

Date : 19th May, 2018

For and on behalf of the Board of

Motilal Oswal Wealth Management Limited

Ajay Menon

Director

DIN No: 00024589

Place : Mumbai

Date : 19th May, 2018

Harsh Joshi

Director

DIN No: 02951058

STATEMENT OF PROFIT AND LOSS

STATEMENT OF PROFIT & LOSS FOR THE PERIOD ENDED 31ST MARCH, 2018

	Note No.	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
REVENUE			
Revenue from Operation	16	1,04,64,96,932	68,55,13,449
Other Income	17	1,20,10,152	3,49,39,312
	(A)	1,05,85,07,084	72,04,52,761
EXPENDITURE			
Employee Benefit Expense	18	50,23,16,572	36,97,65,361
Finance Cost	18	35,06,294	1,24,90,386
Depreciation	8	56,33,368	47,20,316
Other Expenses	18	13,80,24,597	12,81,73,743
	(B)	64,94,80,831	51,51,49,806
Profit Before Tax	(C) = (A)-(B)	40,90,26,253	20,53,02,954
Less: Tax Expenses			
Current Tax		10,13,43,508	7,41,99,669
Deferred Tax		(40,56,703)	(26,34,555)
Short Provision For Earlier Year(s)		19,41,532	14,61,451
	(D)	9,92,28,337	7,30,26,565
Profit for the period	(C) -(D)	30,97,97,916	13,22,76,389
Earnings per share (₹)			
Equity share of par value ₹ 1 each			
Basic		387.25	165.35
Diluted		286.46	145.17
Significant Accounting Policies & Notes to Accounts	19-33		

Schedules referred to above form an integral part of the Financial Statement

As per our attached report of even date

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

Premal H. Gandhi
Partner
M.No. : 111592
Place : Mumbai
Date : 19th May, 2018

For and on behalf of the Board of
Motilal Oswal Wealth Management Limited

Ajay Menon
Director
DIN No: 00024589
Place : Mumbai
Date : 19th May, 2018

Harsh Joshi
Director
DIN No: 02951058

CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	40,90,26,253	20,53,02,954
Add /Less :		
1) Finance Cost	35,06,294	1,24,90,568
2) Interest Income	(5,80,026)	(2,39,85,411)
3) ESOP Expenditure	45,98,881	22,60,118
4) Profit on Sale of Investment	(6,92,04,416)	(28,21,163)
5) Depreciation	56,33,368	47,20,316
6) Gratuity	90,79,051	86,26,984
OPERATING PROFIT	36,20,59,404	20,65,94,366
Adjustment For:		
1) Decrease in Other Long-term Liabilities	(26,19,930)	26,19,930
2) Decrease in Long-term Provision	(36,99,870)	(18,68,451)
3) Increase in Short-term Provision	1,50,32,389	5,32,45,938
4) Increase in Other Current Liabilities	36,77,570	2,06,23,883
5) Increase in Long-term Loans & Advances	15,31,163	(51,60,225)
6) Increase in Short-term Loans & Advances	2,72,17,625	9,81,09,288
7) Decrease in Trade Receivables	(1,79,18,045)	(6,29,98,521)
8) Increase in Other Current Assets	81,517	(5,859)
CASH FLOW FROM OPERATIONS	38,53,61,824	31,11,60,349
Taxes Paid	(11,22,39,167)	(7,59,04,577)
NET CASH FLOW FROM OPERATIONS (A)	27,31,22,657	23,52,55,772
CASH FLOW FROM INVESTING ACTIVITIES		
1) Interest Received	5,80,026	2,35,78,215
2) (Purchase) of Investments	(62,24,15,000)	(55,60,92,500)
3) Proceeds of sale of Investments	36,92,04,416	25,89,13,663
4) (Purchase) of Fixed Assets	(78,90,602)	(27,85,069)
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(26,05,21,160)	(27,63,85,691)

CASH FLOW STATEMENT (Contd..)

Particulars	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds of Short-term Borrowings	65,64,00,000	83,57,32,552
(Repayment) of Short-term Borrowings	(67,04,00,000)	(78,82,92,552)
Interest Expenses	(35,06,294)	(1,57,90,027)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(1,75,06,294)	3,16,49,973
NET CASH FLOW FOR THE YEAR (A+B+C)	(49,04,796)	(94,79,946)
Cash and Bank Balances comprise of:		
Cash in hand	11,15,352	–
Scheduled bank - In Current Account	81,95,759	1,87,91,057
TOTAL CASH & CASH EQUIVALENTS AS AT BEGINNING OF YEAR	93,11,111	1,87,91,057
Cash and Bank Balances comprise of:		
Cash in hand	35,000	11,15,352
Scheduled bank - In Current Account	43,71,316	81,95,759
TOTAL CASH & CASH EQUIVALENTS AS AT END OF YEAR	44,06,316	93,11,111
Reconciliation of cash and cash equivalents as above with cash and bank balances		
Cash & Cash Equivalents as at end of period as per above	44,06,316	93,11,111
Add:- Fixed Deposit with Banks (with original maturity more than 3 months)	13,50,000	13,50,000
TOTAL CASH & CASH EQUIVALENTS AS AT END OF PERIOD	57,56,316	1,06,61,111

As per our attached report of even date

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

Premal H. Gandhi
Partner
M.No. : 111592
Place : Mumbai
Date : 19th May, 2018

For and on behalf of the Board of
Motilal Oswal Wealth Management Limited

Ajay Menon
Director
DIN No: 00024589

Harsh Joshi
Director
DIN No: 02951058

Place : Mumbai
Date : 19th May, 2018

NOTES TO FINANCIAL STATEMENT

NOTE 1 : SHARE CAPITAL

	As at 31-Mar-18		As at 31-Mar-17	
	Number of Shares	In (₹)	Number of Shares	In (₹)
Authorised Share Capital :				
Equity Shares of ₹ 1/- each	15,00,000	15,00,000	15,00,000	15,00,000
Issued, Subscribed & Paid Up :				
Equity Shares of ₹ 1/- each	8,00,000	8,00,000	8,00,000	8,00,000
TOTAL	8,00,000	8,00,000	8,00,000	8,00,000

1.1 Rights, preferences and restrictions attached to shares

Equity Shares :

All the Equity shares are held by Motilal Oswal Securities Ltd, the holding company (including 60 share held jointly with nominee)

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

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

1.2 Reconciliation of number of shares outstanding

	As at 31-Mar-18		As at 31-Mar-17	
	Number of Shares	(₹)	Number of Shares	(₹)
Number of share at beginning	8,00,000	8,00,000	8,00,000	8,00,000
Addition During the Year	—	—	—	—
Number of Share at the end	8,00,000	8,00,000	8,00,000	8,00,000

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

Name of Shareholder	As at 31-Mar-18		As at 31-Mar-17	
	No of Shares	% of Holding	No of Shares	% of Holding
Motilal Oswal Securities Ltd. (Holding Company)	7,99,940	99.99	7,99,940	99.99
	7,99,940	99.99	7,99,940	99.99

1.4 For the current year the ultimate holding Company of the Company is Passionate Investment Management Private Limited.

NOTES TO FINANCIAL STATEMENT

NOTE 2 : RESERVES AND SURPLUS

	As at 31-Mar-18 In (₹)	As at 31-Mar-17 In (₹)
Securities Premium	4,69,86,308	4,69,86,308
	<u>4,69,86,308</u>	<u>4,69,86,308</u>
Profit and Loss a/c		
Opening balance	29,54,31,230	16,31,54,841
Add: Net profit for the year	30,97,97,916	13,22,76,389
	<u>60,52,29,146</u>	<u>29,54,31,230</u>
ESOP OUTSTANDING RESERVE		
Opening balance	22,60,118	—
Add: Additions during the year	45,98,881	22,60,118
	<u>68,58,999</u>	<u>22,60,118</u>
TOTAL	<u><u>65,90,74,453</u></u>	<u><u>34,46,77,656</u></u>

NOTE 3 : OTHER LONG TERM LIABILITY

	As at 31-Mar-18 In (₹)	As at 31-Mar-17 In (₹)
Security Deposit (Against premises given on lease)	54,76,950	80,96,880
TOTAL	<u><u>54,76,950</u></u>	<u><u>80,96,880</u></u>

NOTE 4 : LONG TERM PROVISION

	As at 31-Mar-18 In (₹)	As at 31-Mar-17 In (₹)
Provision for Gratuity (refer note 26)	1,81,74,168	1,27,94,987
TOTAL	<u><u>1,81,74,168</u></u>	<u><u>1,27,94,987</u></u>

NOTE 5 : SHORT TERM BORROWING

	As at 31-Mar-18 In (₹)	As at 31-Mar-17 In (₹)
Loan from Related Party (Unsecured, Considered Good)		
Motilal Oswal Financial Services Ltd. (refer note 27)	3,35,00,000	4,75,00,000
TOTAL	<u><u>3,35,00,000</u></u>	<u><u>4,75,00,000</u></u>

NOTES TO FINANCIAL STATEMENT

NOTE 6 : OTHER CURRENT LIABILITIES

	As at 31-Mar-18 In (₹)	As at 31-Mar-17 In (₹)
Advance Received From Client	–	26,746
For other liabilities		
Withholding and other Taxes Payable	2,27,31,495	2,43,40,432
Others Payable (includes payable to vendors)	2,13,03,651	1,59,21,674
Interest Payable	1,77,127	2,45,851
TOTAL	4,42,12,273	4,05,34,703

NOTE 7 : SHORT TERM PROVISION

	As at 31-Mar-18 In (₹)	As at 31-Mar-17 In (₹)
Provision for Tax (Net of advance tax and TDS) [(Current year : Nil) (Previous year : Advance tax and TDS ₹ 6,87,40,255)]	–	54,59,414
Provision Gratuity	83,14,767	26,07,728
Provision for Ex -gratia and Other	9,99,17,662	9,44,53,517
Other Provisions	65,90,767	27,29,562
TOTAL	11,48,23,196	10,52,50,221

NOTE 8 : PROPERTY, PLANT & EQUIPMENTS

Current Year

(in ₹)

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK		
	As at 1-Apr-17	Additions	Deductions	As at 31-Mar-18	As at 1-Apr-17	Additions	Deductions	As at 31-Mar-18	As at 31-Mar-18	As at 31-Mar-17
Tangible Assets										
Office Premises	4,47,76,849			4,47,76,849	1,91,65,148	11,26,769		2,02,91,916	2,44,84,933	2,56,11,701
Renovation of Leased Office Premises	10,59,494	25,95,376		36,54,870	7,06,153	4,89,941		11,96,094	24,58,776	3,53,341
Electrical Equipment	3,510			3,510	1,021	644		1,665	1,845	2,489
Air Conditioner	42,166			42,166	41,785	–		41,785	381	381
Mobile	65,000	27,499		92,499	33,315	22,539		55,854	36,645	31,685
Office Equipments	2,18,045	1,65,962		3,84,007	1,35,805	97,024		2,32,829	1,51,178	82,240
Television	39,990			39,990	38,426	–		38,426	1,565	1,564
Computer	41,04,175	45,24,500		86,28,675	28,02,082	20,41,167		48,43,249	37,85,426	13,02,093
Car	15,61,444			15,61,444	5,15,620	3,26,638		8,42,259	7,19,186	10,45,824
Furniture	–	1,86,000		1,86,000	–	4,466		4,466	1,81,534	–
Total (A)	5,18,70,673	74,99,338	–	5,93,70,011	2,34,39,354	41,09,189	–	2,75,48,543	3,18,21,470	2,84,31,319
Intangible Assets										
Commercial Rights	5,00,000			5,00,000	3,56,987	99,940		4,56,927	43,073	1,43,013
Computer Software	71,14,509	3,91,264		75,05,773	56,22,939	14,24,240		70,47,179	4,58,594	14,91,570
PMS Licence	1,00,000			1,00,000	89,323	–		89,323	10,677	10,677
Total (B)	77,14,509	3,91,264	–	81,05,773	60,69,249	15,24,180	–	75,93,429	5,12,344	16,45,260
TOTAL (A+B)	5,95,85,182	78,90,602	–	6,74,75,784	2,95,08,603	56,33,369	–	3,51,41,972	3,23,33,814	3,00,76,579

NOTES TO FINANCIAL STATEMENT

Previous Year

(in ₹)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 1-Apr-16	Additions	Deductions	As at 31-Mar-17	As at 1-Apr-16	Additions	Deductions	As at 31-Mar-17	As at 31-Mar-17	As at 31-Mar-16
Tangible Assets										
Office Premises	4,47,76,849			4,47,76,849	1,78,82,227	12,82,921		1,91,65,148	2,56,11,701	2,68,94,622
Renovation of Leased Office Premises		10,59,494		10,59,494		7,06,153		7,06,153	3,53,341	-
Electrical Equipment	3,510			3,510	151	869		1,021	2,489	3,359
Air Conditioner	42,166			42,166	34,109	7,677		41,785	381	8,057
Mobile	65,000			65,000	7,324	25,991		33,315	31,685	57,676
Office Equipments	1,00,095	1,17,950		2,18,045	22,621	1,13,184		1,35,805	82,240	77,474
Television	39,990			39,990	13,510	24,916		38,426	1,565	26,480
Computer	25,91,338	15,12,837		41,04,175	22,47,142	5,54,940		28,02,082	13,02,093	3,44,196
Car	15,61,444			15,61,444	40,644	4,74,976		5,15,620	10,45,825	15,20,800
Total (A)	4,91,80,392	26,90,281	-	5,18,70,673	2,02,47,729	31,91,625	-	2,34,39,354	2,84,31,321	2,89,32,663
Intangible Assets										
Commercial Rights	5,00,000			5,00,000	2,57,196	99,791		3,56,987	1,43,013	2,42,804
Computer Software	70,19,721	99,422	4,634	71,14,509	42,14,024	14,08,915		56,22,939	14,91,570	28,05,697
PMS Licence	1,00,000			1,00,000	69,338	19,985		89,323	10,677	30,662
Total (B)	76,19,721	99,422	4,634	77,14,509	45,40,558	15,28,691	-	60,69,249	16,45,260	30,79,163
TOTAL (A+B)	5,68,00,113	27,89,703	4,634	5,95,85,182	2,47,88,287	47,20,316	-	2,95,08,603	3,00,76,581	3,20,11,826

NOTE 9 : LONG TERM LOANS AND ADVANCES

	As at 31-Mar-18 In (₹)	As at 31-Mar-17 In (₹)
Prepaid	18,69,993	7,81,226
Rent deposit	73,66,800	99,86,730
Advance Tax (Net of Provision for taxation) [(Current year : Provision for tax ₹ 21,83,99,378) (Previous year : Provision for tax ₹ 4,09,26,871)]	72,97,836	38,03,124
TOTAL	1,65,34,629	1,45,71,080

NOTE 10 : NON-CURRENT INVESTMENTS (At cost, unless otherwise stated)

	As at 31-Mar-18 In (₹)	As at 31-Mar-17 In (₹)
Equity Shares - Unquoted		
Aspire Home Finance Corporation Limited 19,23,07,692 Shares of ₹ 1 (Previous Year - 10 shares of ₹ 1 each)	50,00,00,010	10
Mutual Funds - Unquoted		
Motilal Oswal Most Focused Multicap 35 Fund (Previous Year - 1,37,61,951.276 units of ₹ 23.4327)	-	30,00,00,000
Motilal Oswal Most Focused Multicap 25 Fund 48,03,867.245 units of ₹ 21.9781. (Previous Year - Nil)	10,50,00,000	-
Alternative Investment Funds - Unquoted		
Motilal Oswal Focused Multicap Opportunities Fund 9,14,381.380 units of ₹ 10.5900 (Previous Year - Nil)	1,00,00,000	-
Motilal Oswal Focused Multicap Opportunities Fund 17,500 units of ₹ 10.4123 (Previous Year - Nil)	1,75,000	-
Motilal Oswal Focused Emergence Fund 7,18,958.918 units of ₹ 9.4323 (Previous Year - Nil)	70,00,000	-
Motilal Oswal Focused Emergence Fund 24,000 units of ₹ 9.4226 (Previous Year - Nil)	2,40,000	-
	62,24,15,010	30,00,00,010

NOTES TO FINANCIAL STATEMENT

Particulars	31-Mar-18		31-Mar-17	
	Cost (In ₹)	Market Value (In ₹)	Cost (In ₹)	Market Value (In ₹)
Aggregate value of quoted investments and market value	NA	NA	NA	NA
Aggregate value of unquoted investments				
Mutual Funds / Alternative Investment Funds***	12,24,15,000	12,24,52,967	30,00,00,000	32,24,79,676
Others	50,00,00,010	NA	10	NA
Aggregate provision for diminution in value of investments	–	NA	–	NA

*** Market value is based on NAV declared by Mutual Fund/Alternative Investment Fund

NOTE 11 : DEFERRED TAX ASSETS

	As at 31-Mar-18 In (₹)	As at 31-Mar-17 In (₹)
Provision for Gratuity	77,13,578	44,42,143
WDV of Fixed Assets	4,96,027	(2,89,241)
TOTAL	82,09,605	41,52,902

NOTE 12 : CASH AND BANK BALANCES

	As at 31-Mar-18 In (₹)	As at 31-Mar-17 In (₹)
Cash and Cash Equivalents		
Cash in Hand	35,000	11,15,352
Bank Balances		
In Current Account	43,71,316	81,95,759
Total (A)	44,06,316	93,11,111
Other Bank Balances		
Fixed Deposit with Banks (with maturity more than 3 months)	13,50,000	13,50,000
Total (B)	13,50,000	13,50,000
TOTAL (A+B)	57,56,316	1,06,61,111

NOTE 13 : SHORT TERM LOAN AND ADVANCES

	As at 31-Mar-18 In (₹)	As at 31-Mar-17 In (₹)
Unsecured, considered good		
Others		
Loans and Advances to Employees	1,30,192	2,39,43,870
Prepaid	40,23,072	25,66,957
Others	74,33,101	1,22,76,384
Balance with Government Authorities	6,234	23,013
TOTAL	1,15,92,599	3,88,10,224

NOTES TO FINANCIAL STATEMENT

NOTE 14 : TRADE RECEIVABLES

	As at 31-Mar-18 In (₹)	As at 31-Mar-17 In (₹)
Unsecured, considered good		
Trade Receivables (Outstanding for less than 6 months)	17,86,54,808	15,95,21,173
Trade Receivables (More than 6 months)	–	12,15,591
TOTAL	17,86,54,808	16,07,36,764

NOTE 15 : OTHER CURRENT ASSETS

	As at 31-Mar-18 In (₹)	As at 31-Mar-17 In (₹)
Secured, considered good:		
Accrued interest but not due on Fixed Deposits	6,401	–
Accrued interest on Loan Given	3,66,504	4,19,665
Other Receivables	1,91,354	2,26,110
TOTAL	5,64,259	6,45,775

NOTE 16 : REVENUE FROM OPERATION

	For the Year ended 31-Mar-18 In (₹)	For the Year Ended 31-Mar-17 In (₹)
Management and Advisory Fees	9,85,06,631	7,25,02,769
Commission & Referral Fees	86,07,72,749	58,08,79,517
Setup Fee	1,80,13,136	2,35,10,000
Exhibition Fees	–	58,00,000
Profit on Sale of Investment	6,92,04,416	28,21,163
TOTAL	1,04,64,96,932	68,55,13,449

NOTE 17: OTHER INCOME

	For the Year ended 31-Mar-18 In (₹)	For the Year Ended 31-Mar-17 In (₹)
Interest	5,80,026	2,39,85,412
Rent Received	1,09,53,900	1,09,53,900
Miscellaneous Income	4,76,226	–
TOTAL	1,20,10,152	3,49,39,312

NOTES TO FINANCIAL STATEMENT

NOTE 18 : EXPENSES

	For the Year ended 31-Mar-18 In (₹)	For the Year Ended 31-Mar-17 In (₹)
Employee Benefit Expense		
Salary and Bonus	46,52,66,043	34,92,97,910
Gratuity	90,79,051	86,26,984
Contribution to Provident Other Funds	74,64,809	51,95,477
Staff Welfare	91,35,902	43,84,872
Employee Stock Option Expense	1,13,70,767	22,60,118
TOTAL	50,23,16,572	36,97,65,361
Finance Cost		
Interest	35,06,294	1,24,90,386
TOTAL	35,06,294	1,24,90,386
Other Expenses		
Brokerage Sharing with Intermediaries	2,93,43,908	4,64,02,418
Rent Paid	1,47,33,600	1,50,10,185
Marketing & Brand Promotion Expenses	2,05,86,944	1,14,67,512
Travelling Expenses and Conveyance	2,03,60,508	1,88,24,756
Printing & Stationery Expenses	74,19,186	55,08,689
Client Entertainment	1,03,37,768	49,22,686
Legal & Professional Fees	90,43,629	42,81,615
Data Processing Charges	51,02,047	41,62,349
Membership & Subscription Fees	11,23,046	25,17,340
Bad Debts	2,02,169	6,31,877
Communication Expenses	17,83,213	25,06,328
Power and Fuel	17,35,275	22,74,947
Software Charges	12,63,305	7,35,469
Training Expenses	6,09,363	4,35,650
Cenvat Reversal Towards Exempt Services	–	1,58,359
Auditors Remuneration (refer note 22)	74,335	50,410
Rates and Taxes	75,318	13,721
Repairs And Maintenance	5,37,374	12,33,712
CSR Donation (refer note 31)	32,20,088	–
Donation	1,02,000	16,06,418
Miscellaneous Expenses	1,03,71,521	54,29,302
TOTAL	13,80,24,597	12,81,73,743

NOTES TO FINANCIAL STATEMENT

NATURE OF BUSINESS, BACKGROUND & SIGNIFICANT ACCOUNTING POLICES

NOTE 19 : BACKGROUND

Motilal Oswal Wealth Management Limited was incorporated on March 6, 2002. The principal shareholder of the Company as at March 31, 2018 is Motilal Oswal Securities Limited (MOSL). The company has license from SEBI Motilal Oswal Wealth Management Limited (Reg. No. INP000004409 date of Reg. Nov 29, 2012) for doing business of portfolio management services & Motilal Oswal Alternative Investment Trust (REG No. IN/AIF3/13-14/0044 Date of Reg. April 10, 2013) for creation of Alternative Investment Fund.

NOTE 20 : NATURE OF BUSINESS

Company is carrying the business of advisory services in investment and wealth management in accordance with the applicable laws and to carry on the business of advising on investments in stocks, shares, securities, debentures, bonds, warrants, depository receipts, commodities, currency, real estate, options, derivatives and all kinds of financial instruments including portfolio management services, mutual funds, unit linked policies, insurance policies, and providing financial and investment advisory services, management and facilitation services and others. Further the company has rented the premises owned by it & is offering the rent income from the said premises as income from house property under the income tax laws. In the books of accounts the company has claimed depreciation on the said premises in accordance with the Companies Act.

NOTE 21 : SIGNIFICANT ACCOUNTING POLICIES

21.1 BASIS OF PREPARATION OF FINANCIAL STATEMENT:

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

All assets and liabilities have been classified as current or noncurrent as per the company's normal operating cycle and other criteria set out in the schedule III to the Companies Act 2013. Based on the nature of business the company has ascertained its operating cycle as twelve months for the purpose of current and non - current classification of assets and liabilities.

21.2 USE OF ESTIMATES:

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

21.3 PROPERTY, PLANT AND EQUIPMENTS & DEPRECIATION

Property, plant and equipments are stated at cost less accumulated depreciation thereon. The cost of property, plant and equipments comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation

Depreciation is based on the cost of an asset less its residual value as notified in Schedule II to the Act. Residual value, useful life and methods of depreciation are reviewed at each year end and adjusted. In case of addition, depreciation is provided pro-rata for entire month in which addition is made and in case of deletions, depreciation is provided till month preceding month of disposal of such assets. Gains/Losses arising from derecognition of PPE are measured at the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss when the asset is derecognized. On all assets, except as mentioned below, depreciation has been provided based on Written Down Value method using the useful life as specified in Schedule II to the Act.

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

21.4 INTANGIBLE ASSETS AND AMORTIZATION:

Expenses incurred on Computer Software having enduring benefits are capitalized and amortized on Straight Line Method (SLM) basis over a period of five years

NOTES TO FINANCIAL STATEMENT

21.5 REVENUE RECOGNITION:

- a) Management and Advisory fee income is accounted for on an accrual basis in accordance with the terms & contracts entered into between the Company and the counterparty.
- b) Portfolio management commissions and Brokerage on Mutual Funds are recognized on an accrual basis in accordance with the terms of the agreement entered with Asset Management Company.
- c) Interest income is recognized on accrual basis.
- d) The Company recognizes lease rentals from the property leased out, on accrual basis as per the term of agreements entered with the counter parties.
- e) In respect of other heads of income the Company accounts the same on accrual basis.

21.6 TAXATION:

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

Current Tax:

Current tax is determined as the amount payable in respect of taxable income for the year. While computing the taxable income, due credit is taken for allowances and exemption in accordance with Indian Income Tax Act, 1961. In case of matters under appeal due to disallowance or otherwise, full provision is made when the said liabilities are accepted by the Company.

Minimum Alternate Tax:

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

Deferred Tax

Deferred tax is recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date, subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognized only to the extent there is reasonable certainty that the asset can be realized in future. However, where there is an unabsorbed depreciation or a carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

21.7 INVESTMENTS:

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

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

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

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

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

NOTES TO FINANCIAL STATEMENT

21.8 EMPLOYEE BENEFITS:

Provident Fund:

Contribution payable to the recognised provident fund, which is a defined contribution scheme, is charged to the profit and loss account in the period in which it occurs.

Gratuity:

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 and less the fair value of plan assets, together with the adjustments for unrecognized actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognized immediately in the statement of profit and loss.

Compensated Absences:

As per the policy of the company, an employee can carry forward maximum 10 days of leave to next financial year. No leave is allowed to be encashed. An obligation arises as employees render service that increases their entitlement to future compensated absences. Provision is made for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

Bonus / Ex-gratia Plans:

The company recognizes the costs of bonus payments when it has a present obligation to make such payments as a result of past events and the reliable estimate of the obligation can be made.

Employees Stock Option Expenses:

The Employees Stock Options Scheme ("the Scheme") has been established by the company. The Scheme provides that employees are granted an option to subscribe to equity share of the company that vest on the satisfaction of vesting conditions. The options may be exercised with in specified period. Measurement and disclosure of Employee Share-based Payment Plan is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by The Institute of Chartered Accountants of India. The company follows the fair value method to account for its stock based employee compensation plans.

21.9 PROVISIONS AND CONTINGENCIES:

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed. Contingent assets are not recognised in the financial statement. However, contingent assets are assess continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.

NOTE 22 : REMUNERATION TO AUDITORS

	31-Mar-18 In (₹)	31-Mar-17 In (₹)
As Auditors:		
Audit Fees	75,000	31,350
In any other capacity, in respect of:		
Other Certification	—	18,750
TOTAL	75,000	50,100

NOTES TO FINANCIAL STATEMENT

NOTE 23 : BASIC & DILUTED EARNINGS PER SHARE

	31-Mar-18	31-Mar-17
Net Profit attributable to equity shareholders [A] (₹)	30,97,97,916	13,22,76,389
Weighted Average Number of equity shares issued [B] (₹)	8,00,000	8,00,000
Basic EPS [A/B] (₹)	387.25	165.35
Diluted EPS [A/B] (₹)	286.46	145.17

NOTE 24 :

In the opinion of the Board of Directors, all current assets, loans and advances would be realizable at least of an amount equal to the amount at which they are stated in the Balance Sheet. There is no impairment in the Fixed Assets.

NOTE 25 : SEGMENT INFORMATION

Since the Company is engaged in Multi segment i.e. Advising and managing real estate funds and Asset Management, hence there separate reportable segment as required under Accounting Standard – 17.

Particulars	31st March 2018		31st March 2017	
	Broking	Fund based	Broking	Fund based
REVENUE:				
External Revenue	98,04,36,388	6,65,36,769	68,55,13,449	–
Inter-Segment Revenue	–	–	–	–
Unallocated	1,15,33,926	–	3,49,39,311	–
	99,19,70,314	6,65,36,769	72,04,52,761	–
RESULT:				
Segment Result	33,46,38,186	6,65,36,769	18,29,04,621	–
Unallocated Expenses	36,82,629	–	1,25,40,978	–
Operating Profit	34,24,89,483	6,65,36,769	20,53,02,954	–
Income Tax	9,92,28,337	–	7,30,26,565	–
Profit from Ordinary Activities	30,97,97,916	–	13,22,76,389	–
Extra-Ordinary Items	–	–	–	–
Net Profit	30,97,97,916	–	13,22,76,389	–
OTHER INFORMATION:				
Segment Assets	73,76,41,904	12,24,15,000	23,15,30,690	30,00,00,000
Segment Liabilities	18,26,47,135	–	16,49,93,439	–
Capital Expenditure	78,90,602	–	27,89,703	–
Depreciation	56,33,368	–	47,20,316	–
Non-cash expenses other than depreciation	–	–	–	–

NOTES TO FINANCIAL STATEMENT

NOTE 26 : GRATUITY

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

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

	Gratuity		Other Long Term Benefits	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
I Assumptions as at				
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest / Discount Rate	6.85%	6.69%	6.85%	6.69%
Rate of increase in compensation	9.73%	8.00%		
Rate of return (expected) on plan assets				
Employee Attrition Rate (Past Service (PS))	PS: 0 to 37 : 19.61%	PS: 0 to 37 : 17.01%		PS: 0 to 37 : 28.16%
Expected average remaining service	3.98	4.55		2.50
II Changes in present value of obligations				
PVO at beginning of period	1,34,43,493	72,19,093	–	–
Interest cost	8,85,213	5,24,106	–	–
Current Service Cost	45,20,906	25,89,763	24,30,391	19,59,222
Past Service Cost- (non vested benefits)	17,962	–	–	–
Past Service Cost - (vested benefits)	17,64,613	–	–	–
Benefits Paid	(4,23,222)	(4,43,362)	–	–
Actuarial (Gain)/Loss on obligation	18,99,338	35,53,893	–	–
PVO at end of period	2,21,08,303	1,34,43,493	24,30,391	19,59,222
III Changes in fair value of plan assets				
Fair Value of Plan Assets at beginning of period	–	–	–	–
Expected Return on Plan Assets	–	–	–	–
Contributions	4,23,222	4,43,362	–	–
Benefit Paid	(4,23,222)	(4,43,362)	–	–
Actuarial Gain/(Loss) on plan assets	–	–	–	–
Fair Value of Plan Assets at end of period	–	–	–	–
IV Fair Value of Plan Assets				
Fair Value of Plan Assets at beginning of period	–	–	–	–
Actual Return on Plan Assets	–	–	–	–
Contributions	4,23,222	4,43,362	–	–
Benefit Paid	(4,23,222)	(4,43,362)	–	–
Fair Value of Plan Assets at end of period	–	–	–	–
Funded Status (including unrecognised past service cost)	(2,21,08,303)	(1,34,43,493)	(24,30,391)	(19,59,222)
Excess of actual over estimated return on Plan Assets	–	–	–	–
V Experience History	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
(Gain)/Loss on obligation due to change in Assumption	7,52,270	19,02,727	–	–
Experience (Gain)/ Loss on obligation	11,47,068	16,51,166	–	–
Actuarial Gain/(Loss) on plan assets	–	–	–	–

NOTES TO FINANCIAL STATEMENT

	Gratuity		Other Long Term Benefits	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
VI Actuarial Gain/(Loss) Recognized				
Actuarial Gain/(Loss) for the period (Obligation)	(18,99,338)	(35,53,893)	–	–
Actuarial Gain/(Loss) for the period (Plan Assets)	–	–	–	–
Total Gain/(Loss) for the period	(18,99,338)	(35,53,893)	–	–
Actuarial Gain/(Loss) recognized for the period	(18,99,338)	(35,53,893)	–	–
Unrecognized Actuarial Gain/(Loss) at end of period	–	–	–	–
VII Past Service Cost Recognised				
Past Service Cost - (non vested benefits)	17,962	–	–	–
Past Service Cost - (vested benefits)	17,64,613	–	–	–
Average remaining future service till vesting of the benefit	2	–	–	–
Recognised Past service Cost - non vested benefits	8,981	–	–	–
Recognised Past service Cost - vested benefits	17,64,613	–	–	–
Unrecognised Past Service Cost - non vested benefits	8,981	–	–	–
VIII Amounts to be recognized in the balance sheet and				
Statement of profit & loss account				
PVO at end of period	2,21,08,303	1,34,43,493	24,30,391	19,59,222
Fair Value of Plan Assets at end of period	–	–	–	–
Funded Status	(2,21,08,303)	(1,34,43,493)	(24,30,391)	(19,59,222)
Unrecognized Actuarial Gain/(Loss)	–	–	–	–
Unrecognised Past Service Cost - non vested benefits	8,981	–	–	–
Net Asset/(Liability) recognized in the balance sheet	(2,20,99,322)	(1,34,43,493)	(24,30,391)	(19,59,222)
IX Expense recognized in the statement of P&L A/C				
Current Service Cost	45,20,906	25,89,763	24,30,391	19,59,222
Interest cost	8,85,213	5,24,106	–	–
Past Service Cost - (non vested benefits)	17,962	–	–	–
Past Service Cost (vested benefits)	17,64,613	–	–	–
Unrecognised Past Service Cost - non vested benefits	(8,981)	–	–	–
Expected Return on Plan Assets	–	–	–	–
Net Actuarial (Gain)/Loss recognized for the period	18,99,338	35,53,893	–	–
Expense recognized in the statement of P&L A/C	90,79,051	66,67,762	24,30,391	19,59,222
X Movements in the Liability recognized in Balance Sheet				
Opening Net Liability	1,34,43,493	72,19,093	–	–
Expenses as above	90,79,051	66,67,762	24,30,391	19,59,222
Contribution paid	(4,23,222)	(4,43,362)	–	–
Closing Net Liability	2,20,99,322	1,34,43,493	24,30,391	19,59,222
XI Revised Schedule VI				
Current Liability	46,89,551	26,07,728	–	–
Non-Current Liability	1,74,09,771	1,08,35,765	24,30,391	19,59,222

NOTES TO FINANCIAL STATEMENT

NOTE 27 : RELATED PARTY DISCLOSURE AS PER AS 18

Related Party Disclosure:

I. Names of Related Parties:-

Holding Company:

- Motilal Oswal Securities Limited

Holding Company of Motilal Oswal Securities Limited:

- Motilal Oswal Financial Services Limited

Ultimate Holding Company:

- Passionate Investment Management Private Limited

Fellow subsidiaries:

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

II. Transactions with related parties: 31-03-2018

Particulars	Name of the related Party	Holding Company (A)		Fellow Subsidiaries (B)		Total	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Rent Expense / (Income)	Motilal Oswal Securities Limited	1,47,33,600	1,50,10,185	–	–	1,47,33,600	1,50,10,185
	Motilal Oswal Securities Limited	(1,09,53,900)	(1,09,53,900)	–	–	(1,09,53,900)	(1,09,53,900)
Interest Expense / (Income)	Motilal Oswal Financial Services Limited	34,74,418	1,21,20,188	–	–	34,74,418	1,21,20,188
	Motilal Oswal Securities Limited	(4,39,418)	(2,38,34,918)	–	–	(4,39,418)	(2,38,34,918)
Advisory & Placement fees (Income) / Expense	MOPE Investment Advisors Pvt. Ltd.	–	–	(5,40,75,000)	(15,62,486)	(5,40,75,000)	(15,62,486)
	Motilal Oswal Asset Management Company Limited	–	–	52,13,599	21,45,160	52,13,599	21,45,160
	Motilal Oswal Real Estate Investment Advisors II Private Limited	–	–	(3,05,32,354)	(3,09,14,255)	(3,05,32,354)	(3,09,14,255)
	Aspire Home Finance Limited	–	–	–	(1,19,04,000)	–	(1,19,04,000)
Referral Fees (Income) Expense	Motilal Oswal Capital Markets Private Limited	–	–	–	(26,13,369)	–	(26,13,369)
	Motilal Oswal Investment Advisors Limited	–	–	–	(23,66,456)	–	(23,66,456)
	Motilal Oswal Capital Markets Private Limited	–	–	–	6,67,278	–	6,67,278

NOTES TO FINANCIAL STATEMENT

Particulars	Name of the related Party	Holding Company (A)		Fellow Subsidiaries (B)		Total	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
	Motilal Oswal Securities Limited		98,332		-	-	98,332
	Motilal Oswal Securities Limited	72,928				72,928	-
	Motilal Oswal Asset Management Company Limited	-	-	(1,67,44,312)	(1,97,157)	(1,67,44,312)	(1,97,157)
Setup Fees	Motilal Oswal Asset Management Company Limited	-	-	(1,32,25,000)	(1,06,35,000)	(1,32,25,000)	(1,06,35,000)
	MOPE Investment Advisors Pvt. Ltd.			(47,88,136)		(47,88,136)	-
Brokerage Mutual Fund (Income)	Motilal Oswal Asset Management Company Limited	-	-	(5,73,74,749)	(2,94,61,741)	(5,73,74,749)	(2,94,61,741)
	MOPE Investment Advisors Pvt. Ltd.			20,39,527		20,39,527	-
	Motilal Oswal Asset Management Company Limited			(4,19,65,507)		(4,19,65,507)	-
PMS Sharing (Income)	Motilal Oswal Asset Management Company Limited	-	-	(31,93,59,288)	(30,79,22,462)	(31,93,59,288)	(30,79,22,462)
	Motilal Oswal Securities Limited	31,781				31,781	-
Management Fees Expense	Motilal Oswal Asset Management Company Limited	-	-	-	-	-	-
Marketing Commission (Income) / Expense	Motilal Oswal Securities Limited	32,44,949	6,18,565		-	32,44,949	6,18,565
	Motilal Oswal Asset Management Company Limited	-	-	(16,42,588)	(43,96,664)	(16,42,588)	(43,96,664)
	MOPE Investment Advisors Pvt. Ltd.			(3,00,000)	-	(3,00,000)	-
	Motilal Oswal Real Estate Investment Advisors II Private Limited			(3,00,000)	-	(3,00,000)	-
	Motilal Oswal Securities Limited	1,30,435				1,30,435	-
Brokerage Commission (Income) / Expense	Motilal Oswal Securities Limited	(7,38,13,333)	(6,17,31,914)	-	-	(7,38,13,333)	(6,17,31,914)
	Motilal Oswal Asset Management Company Limited	-	-	-	-	-	-
	MOPE Investment Advisors Pvt. Ltd.	-	-		13,99,196	-	13,99,196
Loan (Taken) / (Repayment) received for loan given	Motilal Oswal Financial Services Limited	(62,64,00,000)	(49,08,40,460)	-	-	(62,64,00,000)	(49,08,40,460)
	Motilal Oswal Securities Limited	(16,50,00,000)	(1,34,83,72,864)	-	-	(16,50,00,000)	(1,34,83,72,864)
Loan Given / Repayment of loan taken	Motilal Oswal Financial Services Limited	64,04,00,000	44,68,85,770	-	-	64,04,00,000	44,68,85,770
	Motilal Oswal Securities Limited	16,50,00,000	1,22,09,23,474	-	-	16,50,00,000	1,22,09,23,474
Maximum Balance	Motilal Oswal Financial Services Limited	12,54,00,000	(31,57,09,920)	-	-	12,54,00,000	(31,57,09,920)
	Motilal Oswal Securities Limited	11,00,00,000	49,81,73,687	-	-	11,00,00,000	49,81,73,687
Reimbursement of Expense	Motilal Oswal Financial Services Limited	67,71,886	4,57,499	-	-	67,71,886	4,57,499
	Motilal Oswal Securities Limited	29,76,105	35,67,640	-	-	29,76,105	35,67,640
Outstanding Balances:							
Trade Receivable / (Payables)	Motilal Oswal Asset Management Company Limited	-	-	5,90,73,984	8,54,30,750	5,90,73,984	8,54,30,750
	MOPE Investment Advisors Pvt. Ltd.	-	-	(4,88,784)	(1,53,639)	(4,88,784)	(1,53,639)
	Motilal Oswal Securities Limited	70,96,863	79,92,550	-	-	70,96,863	79,92,550
	Motilal Oswal Real Estate Investment Advisors II Private Limited		35,02,967	61,98,367	-	61,98,367	35,02,967
	Aspire Home Finance Limited		1,24,74,000	-	-	-	1,24,74,000
	Motilal Oswal Financial Services Limited	(46,200)				(46,200)	-
Payable for Expenses	Motilal Oswal Securities Limited	5,57,859	(9,06,474)	-	-	5,57,859	(9,06,474)
	Motilal Oswal Financial Services Limited	(19,88,930)	(2,45,851)	-	-	(19,88,930)	(2,45,851)
Deposit Rent Receivable / (Payable)	Motilal Oswal Securities Limited	(54,76,950)	(54,76,950)	-	-	(54,76,950)	(54,76,950)
	Motilal Oswal Securities Limited	73,66,800	73,66,800			73,66,800	73,66,800
Loan Given / (Taken)	Motilal Oswal Financial Services Limited	(3,35,00,000)	(4,75,00,000)	-	-	(3,35,00,000)	(4,75,00,000)

Note: 'Income/receipts figures are shown in brackets.

NOTES TO FINANCIAL STATEMENT

NOTE 28 : DISCLOSURE RELATING TO EMPLOYEE STOCK OPTION PURCHASE PLAN

Details of Stock options

The company has One Stock option Schemes

Motilal Oswal Wealth Management Company Limited -Employees' Stock Option Scheme - I (ESOS - I)

The ESOS - I was approved by the Board of Directors at its meeting on April 22 , 2016 and by the members at the meeting held on April 29, 2016) consisting of 8,000 Stock Option of Rupees 10 each and further the Board approved the grant of 7,200 Stock Options of Rupees 10 each to the employees of the Company.

Pursuant to approval of the members at its meeting dated February 20, 2017 for 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 and total grant of 72,000 stock option of ₹ 1 each.

The activity in the (ESOS-I) during the year ended March 2018 and March 2017 is set below:

	For the Year ended 31-Mar-18		For the Year ended 31-Mar-17	
	In Numbers	Weighted Average Exercise Price	In Numbers	Weighted Average Exercise Price
The MOWML (ESOS-I) : (Face value of ₹ 1/- each)				
Option outstanding, beginning of the year	72,000	250.00	–	NA
Add: Granted	–	NA	72,000	250
Less: Exercised	–	NA	–	NA
Less: Forfeited	–	NA	–	NA
Less: Lapsed	–	NA	–	NA
Option outstanding, end of the year	72,000	250.00	72,000	250.00
Exercisable at the end of the period	–	–	–	–

Employees' Stock Options Scheme (ESOS) :

During the year NIL Employee Stock Options (Previous Year 72,000) have been granted to the employees of the company.

Effective 1 April 2017, the Company has changed its accounting policy for ESOPs valuation from intrinsic value method to fair value method for more appropriate presentation of financial statement . The change is applied retrospectively, accordingly accumulated expense of ₹ 1,13,70,767/- has been debited to the Statement of profit and loss of the year ended 31 March 2018. Had the Company continued to use the earlier method of accounting profit before tax would have been higher by ₹ 91,10,648/- for the year ended 31st March 2018.

Particulars	Scheme I
Date of grant	22-Apr-16
Date of Board Approval	22-Apr-16
Date of Shareholder's approval	29-Apr-16
Number of options granted	72000
Method of Settlement	Equity Shares
Vesting Period	Not later than 7 years from the date of grant
Weighted Average Remaining Contractual Life	
CY - Granted but not Vested	3.43 Years
CY - Vested but not exercised	–
Weighted Average Share Price at the date of exercise for stock options exercised during the year	NA
Weighted Average Remaining Contractual Life	
LY - Granted but not Vested	4.75 Years
LY - Vested but not exercised	–
Exercise Period	Within a period of 21 days from the date of vesting

NOTES TO FINANCIAL STATEMENT

Particulars	Scheme I
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. MOWML does not have any remuneration/ compensation committee. Also no such performance based vesting is mentioned in the ESOP-1 Scheme
Weighted Average Fair Value of options as on grant date	2577.90

Exercise Pricing Formula

Scheme I

The Committee shall have the authority to determine the Exercise Price having regard to the valuation report of an independent practicing chartered accountant that may be based on such valuation method, as may be considered suitable by him, including but not restricted to the Net Asset Value Method, Discounted Cash Flow Method, Earnings Capitalisation Method, Dividend Yield Model, etc. and may also rely upon the future projections of the Company which would be prepared by the management from time to time having regard to the future potential and prospects of the Company.

The Committee shall in its absolute discretion, have the authority to grant the Options at such discount as it may deem fit.

Other Information regarding Employee Share Based Payment Plan is as below

Particulars	2017-18	2016-17
Expense arising from employee share based payment plans	1,13,70,767	22,60,118
Expense arising from share and stock option Plan	NIL	NIL
Total carrying amount at the end of the period	68,58,999	22,60,118

NOTE 29 : DUES TO MICRO AND SMALL ENTERPRISES

There is no amount outstanding for more than thirty days to any small scale industrial undertaking as at the Balance Sheet date. There are no Micro, Small and Medium Enterprises to whom the Company owes the dues, which are outstanding for more than forty five days as at the Balance Sheet date. The Micro, Small and Medium Enterprises have been identified on the basis of information provided by the vendors to the Company

NOTE 30 : CAPITAL COMMITMENTS

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) is ₹ 2,13,284 (Previous Year : ₹ 2,45,297)

NOTE 31 : CORPORATE SOCIAL RESPONSIBILITY

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

- Gross amount required to be spent by the company during the year is ₹ 27,25,074 (Previous year : 7,70,000)
- Amount spent during the period ended 31st March, 2018 on :

Particulars	Amount paid	Yet to be paid	Total
a) Construction/acquisition of any asset			
– SEVA SAHAYOG (School Renovation)	2,00,000	–	2,00,000
b) on Purposes other than (a) above			
– SHRAMAN AROGYAM (Medical Treatment)	5,19,322	–	5,19,322
– BHARAT KE VEER (for the purpose of supporting families of martyred soldiers)	6,00,000	–	6,00,000
– Kalinga Institute of Social Sciences (Education)	13,62,537	–	13,62,537
– JITO Administrative Training Foundation (SEED Education)	5,38,229	–	5,38,229
TOTAL	32,20,088	–	32,20,088

NOTES TO FINANCIAL STATEMENT

c) Amount spent during the period ended 31st March, 2017 on :

Particulars	Amount paid	Yet to be paid	Total
a) Construction/acquisition of any asset			
– Shree Ram Welfare Society (School Renovation)	5,00,000	–	5,00,000
b) on Purposes other than (a) above			
– Dr.Batras Positive Health Foundation (Set Up For Health & Family Welfare, Hiv/Aids)	31,418	–	31,418
– Pratibha Shikshan Prasarak Mandal (for the purpose of Tribal Underprivileged Children)	1,01,700	–	1,01,700
– Kalinga Institute of Social Sciences (Education)	8,00,000	–	8,00,000
– Jain International Trade Organisation (Membership for Amit Dasani)	1,00,000	–	1,00,000
Total	15,33,118		15,33,118

NOTE 32 : PROVISIONS MADE FOR THE YEAR ENDED 31ST MARCH, 2018 COMPRISES OF:

Particulars	Opening balance as on 1-Apr-2017	Provided For The Year F.Y 17-18	Provision reversed / paid For the year F.Y 17-18	Closing balance as on 31-Mar-18
Ex-gratia	9,44,53,516	7,86,27,959	7,31,63,814	9,99,17,661
Provision for Gratuity	1,34,43,493	90,79,051	4,23,222	2,20,99,322
Other long term benefits	19,59,222	33,75,442	9,45,051	43,89,613
Leave Availment	6,79,119	6,83,268	6,79,119	6,83,268

Particulars	Opening balance as on 1-Apr-2016	Provided For The Year F.Y 16-17	Provision reversed / paid For the year F.Y 16-17	Closing balance as on 31-Mar-17
Ex-gratia	2,13,69,898	9,44,53,516	2,13,69,898	9,44,53,516
Provision for Gratuity	72,19,093	66,67,762	4,43,362	1,34,43,493
Other long term benefits	–	19,59,222	–	19,59,222
Leave Availment	3,46,366	6,79,119	3,46,366	6,79,119

NOTE 33 :

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

As per our attached report of even date

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

Premal H. Gandhi
Partner
M.No. : 111592
Place : Mumbai
Date : 19th May, 2018

For and on behalf of the Board of
Motilal Oswal Wealth Management Limited

Ajay Menon
Director
DIN No: 00024589
Place : Mumbai
Date : 19th May, 2018

Harsh Joshi
Director
DIN No: 02951058



Motilal Oswal Capital Markets Limited
(Formerly known as Motilal Oswal Capital Markets Private Limited)

Financial Statement 2017-2018

INDEPENDENT AUDITORS' REPORT

To the Members of **MOTILAL OSWAL CAPITAL MARKETS LIMITED**
(Formerly known as **Motilal Oswal Capital Markets Private Limited**)

Report on the Financial Statement

1. We have audited the accompanying financial statement of Motilal Oswal Capital Markets Limited (Formerly known as Motilal Oswal Capital Markets Private Limited) ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its profit and its cash flows for the year ended on that date.

Other Matter

9. The financial statement of the Company for the year ended 31 March 2017 were audited by predecessor auditor of the Company, whose report dated 26 April 2017, expressed an unmodified opinion on those statements.

Report on Other Legal and Regulatory Requirements

10. 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.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

11. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:
- a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. in our opinion, the aforesaid financial statement comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - d. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
 - e. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the financial statement of the Company for the year ended on that date and our report dated 19 May 2018 as per Annexure II expressed unmodified opinion;
 - f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigation which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. or there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these financial statement. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per Sudhir N. Pillai

Partner

Membership. No : 105782

Place : Mumbai

Date : 19 May 2018

INDEPENDENT AUDITORS' REPORT *(Contd..)*

Annexure to the Independent Auditor's Report of even date to the members of Motilal Oswal Capital Markets Limited (Formerly known as Motilal Oswal Capital Markets Private Limited), on the financial statement for the year ended 31 March 2018

ANNEXURE I

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any immovable property (in nature of 'fixed asset'). Accordingly, the provision of clause 3 (i) (c) of the Order are not applicable.
- (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 not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (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) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statement, as required by the applicable accounting standards. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934, and have made an application for registration with Reserve Bank of India to carry on the business of a Non-Systemically Important non-deposit taking non-banking financial company on 12 February 2018.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per Sudhir N. Pillai

Partner

Membership. No : 105782

Place : Mumbai

Date : 19 May 2018

ANNEXURE II

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

1. In conjunction with our audit of the financial statement of Motilal Oswal Capital Markets Limited (Formerly known as Motilal Oswal Capital Markets Private Limited) ('the Company') as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement 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 statement.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per Sudhir N. Pillai

Partner

Membership. No : 105782

Place : Mumbai

Date : 19 May 2018

BALANCE SHEET

BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note No.	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
I EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	35,00,000	35,00,000
(b) Reserves and surplus	4	3,22,02,196	2,99,91,712
		3,57,02,196	3,34,91,712
2. Non-current liabilities			
(a) Deferred tax liabilities (net)	5	4,643	–
(b) Long -term provisions	6	–	1,33,095
		4,643	1,33,095
3. Current liabilities			
(a) Other current liabilities	7	2,82,888	24,37,745
(b) Short-term provisions	8	4,93,549	11,57,755
		7,76,437	35,95,500
		3,64,83,276	3,72,20,307
II ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	9	19,233	50,614
(b) Intangible assets	9	48,619	64,448
(c) Non-current investments	10	3,25,00,000	2,50,00,000
(d) Deferred tax asset (net)	5	–	27,585
(e) Long-term loans and advances	11	4,36,349	11,16,785
		3,30,04,201	2,62,59,432
2. Current assets			
(a) Trade receivables	12	8,37,213	13,45,200
(b) Cash and cash equivalents	13	20,73,046	79,73,973
(c) Short-term loans and advances	14	5,68,816	16,41,702
		34,79,075	1,09,60,875
		3,64,83,276	3,72,20,307

The accompanying notes 1 to 29 form an integral part of the financial statement

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

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

For and on behalf of the Board of Directors of
Motilal Oswal Capital Markets Limited
(Formerly known as Motilal Oswal Capital Markets Private Limited)

Sudhir N. Pillai
Partner
Membership. No : 105782

Ajay Menon
Director
DIN: 00024589

Anupam Agal
Director
DIN: 07608920

Place : Mumbai
Date : 19 May 2018

Place : Mumbai
Date : 19 May 2018

STATEMENT OF PROFIT AND LOSS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Note No.	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
REVENUE			
(a) Revenue from operations	15	39,67,603	4,02,37,133
(b) Other income	16	6,77,249	16,11,860
Total revenue		46,44,852	4,18,48,993
EXPENSES			
(a) Employee benefits expense	17	13,376	55,60,421
(b) Depreciation and amortisation	9	47,210	21,632
(c) Other expenses	18	14,41,247	1,55,07,569
Total expenses		15,01,833	2,10,89,622
Profit before tax		31,43,019	2,07,59,371
Tax expense			
(a) Current tax		7,23,416	66,23,251
(b) Deferred tax charge/ (credit)		32,228	(27,585)
(c) Income tax for earlier years		1,76,891	(3,16,358)
		9,32,535	62,79,308
Profit after tax		22,10,484	1,44,80,063
Earnings per equity share			
Basic and Diluted (Nominal value of ₹ 10 each)	19	6.32	41.37

The accompanying notes 1 to 29 form an integral part of the financial statement

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

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

For and on behalf of the Board of Directors of
Motilal Oswal Capital Markets Limited
(Formerly known as Motilal Oswal Capital Markets Private Limited)

Sudhir N. Pillai
Partner
Membership. No : 105782

Ajay Menon
Director
DIN: 00024589

Anupam Agal
Director
DIN: 07608920

Place : Mumbai
Date : 19 May 2018

Place : Mumbai
Date : 19 May 2018

CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	31,43,019	2,07,59,371
Adjustment for:		
Profit on sale on investment	(7,841)	(16,07,440)
Bad debts written off	4,54,875	1,64,798
Depreciation	47,210	21,632
Dividend income on mutual funds	(2,15,660)	–
Sundry balances written back	(4,53,748)	–
Gratuity and other long term employee benefits	–	19,012
Operating profit before working capital changes	29,67,855	1,93,57,373
Changes in working capital		
Increase/(decrease) in trade payable and other current liabilities	(17,01,109)	(21,63,576)
Increase/(decrease) in short term provision	(2,68,200)	(4,45,032)
Increase/(decrease) in long term provisions	(1,33,095)	98
(Increase)/decrease in long term loans and advances	6,05,230	6,180
(Increase)/decrease in short-term loans and advances	10,72,886	5,62,678
(Increase)/decrease in trade receivables	53,113	1,07,44,256
Cash generated from operations	25,96,680	2,80,61,977
Income tax paid	(12,21,108)	(57,83,696)
Net cash generated from operating activities	13,75,572	2,22,78,281
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	–	(1,36,694)
Dividend received	2,15,660	–
Purchase of mutual fund units (current and non-current investments)	(1,35,00,000)	(6,60,00,000)
Proceeds (including profit) from sale of mutual fund units	60,07,841	4,26,07,440
Net cash flow (used in) investing activities	(72,76,499)	(2,35,29,254)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of preference shares	–	(90,00,000)
Net cash flow (used in) financing activities	–	(90,00,000)
Net decrease in cash and cash equivalents during the year (A+B+C)	(59,00,927)	(1,02,50,973)
Cash and cash equivalents as at beginning of the year	79,73,973	1,82,24,946
Cash and cash equivalents as at end of the year (also refer note 13)	20,73,046	79,73,973

Notes:

- The above cash flow statement has been prepared under indirect method as set out in Accounting Standard 3, 'Cash Flow Statements', as specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Account) Rules, 2014 (as amended).
- Figures in brackets indicate cash outflows.

The accompanying notes 1 to 29 form an integral part of the financial statement

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 of
Motilal Oswal Capital Markets Limited
(Formerly known as Motilal Oswal Capital Markets Private Limited)

Sudhir N. Pillai
Partner
Membership. No : 105782
Place : Mumbai
Date : 19 May 2018

Ajay Menon
Director
DIN: 00024589
Place : Mumbai
Date : 19 May 2018

Anupam Agal
Director
DIN: 07608920

NOTES TO FINANCIAL STATEMENT

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

1. BACKGROUND

Motilal Oswal Capital Markets Limited (Formerly known as Motilal Oswal Capital Markets Private Limited) ('the Company') was incorporated on 10 November 2006. The principal shareholder of the company is Motilal Oswal Securities Limited. The Company is in business of providing training services on equity markets and broking services for real estate properties.

Basis of preparation of financial statement

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Use of estimates

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

(b) Property, Plant and Equipment (PPE)

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

Depreciation

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

(c) Intangible assets and amortisation

- Expenses incurred on Computer software having enduring benefits are capitalized and amortized on straight line method basis over a period of five years.

(d) Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If such an indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

(e) Investments

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

NOTES TO FINANCIAL STATEMENT *(Contd..)*

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

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

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

(f) Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefit will flow to the company & revenue is reliably measured.

Training fees is recognised only after the client attended the training or there is reasonable certainty that client will not attend the training. Registration fee is recognised when it is received from the client.

Brokerage on property is recognised to the extent it is probable that the economic benefit will flow to the company & revenue is reliably measured.

Interest income is accounted on an accrual basis. Dividend income is recognized when the right to receive dividend is established.

In respect of other heads of income the Company accounts the same on accrual basis.

(g) Foreign currency transactions

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

(h) Employee benefits

Short-term employment benefits

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

Post-employment benefits

Defined contribution plan :

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

Defined benefits plan :

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognized in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognized actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognized immediately in the Statement of Profit and Loss.

Other long-term benefits

Other long-term benefits consist of heritage club benefits, which are recognized as liability at the present value of defined benefits obligation as at the Balance Sheet date. The defined obligation benefit is calculated at the Balance Sheet date by an independent actuary using the projected unit credit method.

Compensated absences

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

NOTES TO FINANCIAL STATEMENT *(Contd..)*

compensated absences. Provision is made for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

Ex-gratia (bonus)

The Company recognizes the costs of bonus payments when it has a present obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

(i) Operating leases

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

Operating lease rentals are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease period on accrual basis as per the terms of agreement with counter parties.

(j) Taxation

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

Current tax

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

Minimum Alternate Tax

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

Deferred tax

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

(k) Earnings per share

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

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

(l) Provisions and Contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each Balance Sheet date and adjusted

NOTES TO FINANCIAL STATEMENT *(Contd..)*

to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

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

(m) Cash and cash equivalents

Cash and cash equivalents in Balance Sheet comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(n) Segment information

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

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

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

NOTE 3 : SHARE CAPITAL

	As at 31-Mar-18		As at 31-Mar-17	
	Number of Shares	(In ₹)	Number of Shares	(In ₹)
Authorised				
Equity shares of ₹ 10 each (previous year ₹ 10 each)	15,00,000	1,50,00,000	4,00,000	40,00,000
7% Non cumulative redeemable preference shares of ₹ 10 each	—	—	11,00,000	1,10,00,000
	15,00,000	1,50,00,000	15,00,000	1,50,00,000
Issued, subscribed and paid up				
Equity shares of ₹ 10 each fully paid up (previous year ₹ 10 each)	3,50,000	35,00,000	3,50,000	35,00,000
7% Non cumulative redeemable preference shares	—	—	—	—
	3,50,000	35,00,000	3,50,000	35,00,000

3.1 Terms and conditions attached

Equity shares

The Company has only one class of equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividend in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of share holders in the ensuing annual general meeting. In the event of liquidation of Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES TO FINANCIAL STATEMENT *(Contd.)*

3.2 Reconciliation of number of equity shares outstanding

	As at 31-Mar-18		As at 31-Mar-17	
	Number of shares	(In ₹)	Number of shares	(In ₹)
At the beginning of the year	3,50,000	35,00,000	3,50,000	35,00,000
Additions during the year	—	—	—	—
At the end of the year	3,50,000	35,00,000	3,50,000	35,00,000

3.3 Reconciliation of number of preference shares outstanding

	As at 31-Mar-18		As at 31-Mar-17	
	Number of shares	(In ₹)	Number of shares	(In ₹)
At the beginning of the year	—	—	90,00,000	90,00,000
Redemption during the year	—	—	(90,00,000)	(90,00,000)
At the end of the year	—	—	—	—

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

Name of shareholders	As at 31-Mar-18		As at 31-Mar-17	
	Number of shares	% of Holding	Number of shares	% of Holding
Motilal Oswal Securities Limited and its nominees	3,50,000	100	3,50,000	100

3.5 Shares held by holding company

Name of shareholder	As at 31-Mar-18		As at 31-Mar-17	
	No. of shares held	% of Holding	No. of shares held	% of Holding
Motilal Oswal Securities Limited and its nominees	3,50,000	100	3,50,000	100

NOTE 4: RESERVES AND SURPLUS

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
a) Capital redemption reserve		
Balance at the beginning of the year	90,00,000	—
Add: Additions during the year	—	90,00,000
Balance at the end of year	90,00,000	90,00,000
b) Statement of Profit and Loss		
Balance at the beginning of the year	2,09,91,712	1,55,11,649
Add: Additions during the year	22,10,484	1,44,80,063
Less: Transfer to capital redemption reserve	—	(90,00,000)
Balance at the end of year	2,32,02,196	2,09,91,712
	3,22,02,196	2,99,91,712

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 5 : DEFERRED TAX ASSET / LIABILITY (NET)

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Deferred tax liabilities		
Timing difference on property, plant and equipment's as per books and as per Income Tax Act, 1961	4,643	–
	<u>4,643</u>	<u>–</u>
Deferred tax assets		
Expenses allowable on payment basis	–	36,775
Timing difference on property, plant and equipment's as per books and as per Income Tax Act, 1961	–	(9,190)
	<u>–</u>	<u>27,585</u>

NOTE 6 : LONG-TERM PROVISIONS

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Provision for employee benefits (also refer note 26)	–	1,33,095
	<u>–</u>	<u>1,33,095</u>

NOTE 7 : OTHER CURRENT LIABILITIES

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Income received in advance	1,50,000	9,38,599
Other		
Accrued salaries and benefits	27,632	1,11,295
Withholdings and other tax payables	11,706	72,965
Other payables	93,550	13,14,886
	<u>2,82,888</u>	<u>24,37,745</u>

NOTE 8 : SHORT-TERM PROVISIONS

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Provision for employee benefits		
Provision for Ex Gratia (also refer note 27)	–	2,67,821
Gratuity obligation (Unfunded) (also refer note 26)	–	379
Provision for tax (Net of advance tax)	4,93,549	8,89,555
	<u>4,93,549</u>	<u>11,57,755</u>

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

Current Year

(In ₹)

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK			
	Balance as at 01-Apr-17	Additions	Deductions	Balance as at 31-Mar-18	Balance as at 01-Apr-17	Additions	Deductions	Balance as at 31-Mar-18	Balance as at 31-Mar-18	Balance as at 31-Mar-17
Property, plant and equipment										
Computer	53,350	–	–	53,350	5,989	29,915	–	35,904	17,446	47,361
Office equipments	4,200	–	–	4,200	947	1,466	–	2,413	1,787	3,253
Total (A)	57,550	–	–	57,550	6,936	31,381	–	38,317	19,233	50,614
Intangible assets										
Computer software	79,144	–	–	79,144	14,696	15,829	–	30,525	48,619	64,448
Total (B)	79,144	–	–	79,144	14,696	15,829	–	30,525	48,619	64,448
Total (A+B)	1,36,694	–	–	1,36,694	21,632	47,210	–	68,842	67,852	1,15,062

Previous Year

(In ₹)

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK			
	Balance as at 01-Apr-16	Additions	Deductions	Balance as at 31-Mar-17	Balance as at 01-Apr-16	Additions	Deductions	Balance as at 31-Mar-17	Balance as at 31-Mar-17	Balance as at 31-Mar-16
Property, plant and equipment										
Computer	–	53,350	–	53,350	–	5,989	–	5,989	47,361	–
Office equipments	–	4,200	–	4,200	–	947	–	947	3,253	–
Total (A)	–	57,550	–	57,550	–	6,936	–	6,936	50,614	–
Intangible assets										
Computer software	–	79,144	–	79,144	–	14,696	–	–	–	–
Total (B)	–	79,144	–	79,144	–	14,696	–	14,696	64,448	–
Total (A+B)	–	1,36,694	–	1,36,694	–	21,632	–	21,632	1,15,062	–

NOTE 10 : NON-CURRENT INVESTMENTS (AT COST)

Unquoted investments

Investment in Mutual Funds

Motilal Oswal Multicap 35 Fund – Direct Growth Option
 Motilal Oswal Midcap 30 Fund – Direct Growth Option
 Motilal Oswal Focused 25 Fund – Direct Growth Option

As at 31-Mar-2018		As at 31-Mar-2017	
Units	(In ₹)	Units	(In ₹)
2,19,586.21	50,00,000	2,19,586.21	50,00,000
4,06,325.68	1,00,00,000	4,06,325.68	1,00,00,000
8,36,076.94	1,75,00,000	5,18,107.87	1,00,00,000
	3,25,00,000		2,50,00,000
Cost	Market value*	Cost	Market value*
–	–	–	–
3,25,00,000	3,50,99,142	2,50,00,000	2,55,66,577
–	–	–	–

Aggregate value of quoted investments and market value

Aggregate value of unquoted investments

Others

Aggregate provision for diminution in value of investments

*Pertains to Net asset value (NAV) as declared by the respective mutual funds as at respective balance sheet date

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 11 : LONG-TERM LOANS AND ADVANCES

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Unsecured, considered good		
Balance with government authorities	2,55,440	–
Prepaid expenses	–	7,920
Deposit	–	8,52,750
Advance tax	1,80,909	2,56,115
	<u>4,36,349</u>	<u>11,16,785</u>

NOTE 12 : TRADE RECEIVABLES

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Outstanding for a period exceeding 6 months from the date they are due for payment		
Unsecured, considered good	1,88,100	5,62,116
Other debts		
Unsecured, considered good	6,49,113	7,83,084
	<u>8,37,213</u>	<u>13,45,200</u>

NOTE 13 : CASH AND CASH EQUIVALENTS

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Cash in hand	31,095	41,095
Balance with banks		
In current account	20,41,951	79,32,878
	<u>20,73,046</u>	<u>79,73,973</u>

NOTE 14 : SHORT-TERM LOANS AND ADVANCES

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Others (Unsecured, considered good)		
Prepaid expenses	–	1,72,506
Indirect tax credit receivable	5,68,816	9,76,146
Advance recoverable in cash or kind or for value to be received	–	4,93,050
	<u>5,68,816</u>	<u>16,41,702</u>

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 15 : REVENUE FROM OPERATIONS

	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Sale of services (net)		
Training fees	25,11,463	1,05,88,247
Brokerage on property	14,14,473	2,89,23,275
Referral fees	–	6,67,278
Advisory fees	41,667	58,333
	<u>39,67,603</u>	<u>4,02,37,133</u>

NOTE 16 : OTHER INCOME

	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Dividend income on mutual funds	2,15,660	–
Sundry balances written back	4,53,748	–
Profit on sale of investment	7,841	16,07,440
Miscellaneous income	–	4,420
	<u>6,77,249</u>	<u>16,11,860</u>

NOTE 17 : EMPLOYEE BENEFITS EXPENSE

	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Salary, bonus and allowances	–	52,63,988
Contribution to provident fund (also refer note 26)	1,174	61,274
Staff welfare expenses	12,202	2,16,147
Gratuity and other long-term benefits (also refer note 26)	–	19,012
	<u>13,376</u>	<u>55,60,421</u>

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 18 : OTHER EXPENSES

	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Advertisement expenses	5,10,972	26,29,377
Bank charges	33,341	1,34,599
Printing stationery expenses	1,055	4,09,561
Repairs and maintenance	–	15,428
Power and fuel	–	1,54,767
Training expenses	37,596	13,80,280
Remuneration to auditors (also refer note 20)	38,737	2,58,850
Legal and professional fees	1,10,216	39,744
Rent (also refer note 22)	–	14,55,070
Bad debts written off	4,54,875	1,64,798
Miscellaneous expenses	58,776	69,322
Mobile charges	–	99,209
Travelling and conveyance	–	3,44,880
Client entertainment	1,07,110	5,69,339
Referral fees	–	55,73,945
Rates and taxes	8,289	1,171
Brand promotion	–	21,71,598
Computer software charges	80,280	35,631
	<u>14,41,247</u>	<u>1,55,07,569</u>

NOTE 19 : EARNINGS PER SHARE

	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Profit attributable to equity shareholders (In Rupees) [A]	22,10,484	1,44,80,063
Weighted average number of equity shares outstanding during the year [B]	3,50,000	3,50,000
Nominal value per share (In Rupees)	<u>10</u>	<u>10</u>
Basic and diluted earning per share [A] / [B] (In Rupees)	<u>6.32</u>	<u>41.37</u>

NOTE 20: REMUNERATION TO AUDITORS

	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
As auditors:		
Statutory audit	38,737	1,92,500
Tax audit	–	60,000
Out of pocket expenses	–	6,350
	<u>38,737</u>	<u>2,58,850</u>

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 21 : CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities:

There are no contingent liabilities as on 31 March 2018 and 31 March 2017

Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ Nil (previous year : ₹ Nil)

NOTE 22 :

The Company has taken office premises on lease. The Company as a lessee recognised ₹ Nil (Previous Year ₹ 14,55,070) in the Statement of Profit and Loss under the head "Rent".

General description of lease terms: –

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

NOTE 23 : SEGMENT INFORMATION

In accordance with Accounting Standard on "Segment Reporting" (AS-17) issued by the Institute of Chartered Accountants of India, the Company has determined business segment as under.

- The business segment has been considered as the primary segment for disclosure., since the business operations of the company is primarily concentrated in India, the Company is considered to operate only in the domestic segment. Company's operations predominately relate to providing broking and training services to clients.
- Broking and other related activities includes broking services of real estate properties to clients.
- Training related activities comprises of training on equity markets to trainees (clients).
- Fund based activities include non-current investment in mutual funds

(In ₹)

Particulars	Broking and other related activities		Training related activities		Fund Based Activities		Unallocated Portion		Total	
	31-Mar-2018	31-Mar-2017	31-Mar-2018	31-Mar-2017	31-Mar-2018	31-Mar-2017	31-Mar-2018	31-Mar-2017	31-Mar-2018	31-Mar-2017
Revenue										
External revenue	14,60,130	2,96,48,886	25,11,463	1,05,88,247	–	–	6,73,259	16,11,860	46,44,852	4,18,48,993
Inter-segment revenue	–	–	–	–	–	–	–	–	–	–
Total revenue	14,60,130	2,96,48,886	25,11,463	1,05,88,247	6,73,259	16,11,860			46,44,852	4,18,48,993
Result										
Segment result	10,05,255	1,39,71,380	17,28,295	54,34,981	–	–	6,73,259	–	34,06,809	1,94,06,361
Unallocated corporate expenses									2,63,790	2,58,850
Operating profit									31,43,019	2,07,59,371
Less: Tax expenses:										
Current tax									7,23,416	66,23,251
Deferred tax									32,228	(27,585)
Income tax of earlier years									1,76,891	(3,16,358)
Profit from ordinary activities									22,10,483	1,44,80,063

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Particulars	Broking and other related activities		Training related activities		Fund Based Activities		Unallocated Portion		Total	
	31-Mar-2018	31-Mar-2017	31-Mar-2018	31-Mar-2017	31-Mar-2018	31-Mar-2017	31-Mar-2018	31-Mar-2017	31-Mar-2018	31-Mar-2017
Other information										
Segment assets	1,88,100	84,70,453	12,85,781	24,90,008	3,25,00,000	2,50,00,000	-	-	3,39,73,881	3,59,60,461
Unallocated corporate asset	-	-	-	-	-	-	-	-	25,09,395	12,59,846
Total assets	1,88,100	84,70,453	12,85,781	24,90,008	3,25,00,000	2,50,00,000			3,64,83,276	3,72,20,307
Segment liabilities	39,338	6,11,921	1,50,240	18,89,028					1,89,578	25,00,949
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	5,91,502	12,27,646
Total liabilities	39,338	6,11,921	1,50,240	18,89,028					7,81,080	37,28,595
Capital expenditure	-	-	-	-	-	-	-	-	-	1,36,694
Depreciation and amortisation	-	-	-	-	-	-	-	-	47,210	21,632

NOTE 24 : RELATED PARTY DISCLOSURE

I. Relationships during the year

Holding Company

– Motilal Oswal Securities Limited

Intermediate Holding Company

– Motilal Oswal Financial Services Limited

Ultimate Holding Company

– Passionate Investment Management Private Limited

Fellow subsidiaries:

- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisory Limited
- MOPE Investment Advisors Private Limited
- Motilal Oswal Wealth Management Limited
- Motilal Oswal Fincap Private Limited (Formerly known as Insurance Brokers Private Limited)
- Motilal Oswal Asset Management Company Limited
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Securities International Private Limited
- Motilal Oswal Capital Market (Hongkong) Private Limited
- Motilal Oswal Capital Markets (Singapore) Pte. Limited
- Aspire Home Finance Corporation Limited
- Motilal Oswal Real Estate Investment Advisors Private Limited
- Motilal Oswal Real Estate Investment Advisors II Private Limited
- India Business Excellence Management Company
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Motilal Oswal Capital Limited
- Nagori Agro & Cattle Feeds Private Limited

Enterprises in which key management personnel exercise significant Control

– OSAG Enterprises LLP

NOTES TO FINANCIAL STATEMENT *(Contd..)*

II. Transactions with related parties

(In ₹)

Particulars	Name of the related Party	Holding / Intermediate Holding Companies		Fellow Subsidiary Companies		Total	
		Year ended 31-Mar-2018	Year ended 31-Mar-2017	Year ended 31-Mar-2018	Year ended 31-Mar-2017	Year ended 31-Mar-2018	Year ended 31-Mar-2017
Training fees	Motilal Oswal Securities Limited	(4,80,000)	-	-	-	(4,80,000)	-
Redemption of preference shares	Motilal Oswal Securities Limited	-	(90,00,000)	-	-	-	(90,00,000)
Referral (Income)	Motilal Oswal Wealth Management Limited	-	-	-	(667,278)	-	(667,278)
Referral expense	Motilal Oswal Wealth Management Limited	-	-	-	26,13,369	-	26,13,369
	Motilal Oswal Securities Limited	-	13,27,448	-	-	-	13,27,448
Rent expense	Motilal Oswal Securities Limited	-	14,55,070	-	-	-	14,55,070
Rent deposit paid / (received)	Motilal Oswal Securities Limited	(8,52,750)	1,35,900	-	-	(8,52,750)	1,35,900
(Payment) / Receipt for reimbursement of expense	Motilal Oswal Securities Limited	-	(2,74,868)	-	-	-	(2,74,868)

Outstanding balances:

(In ₹)

Particulars	Name of the related Party	Holding / Intermediate Holding Companies		Fellow Subsidiary Companies		Total	
		As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Rent	Motilal Oswal Securities Limited	-	(97,546)	-	-	-	(97,546)
Other (Payables)/Receivable	Motilal Oswal Securities Limited	6,01,800	(54,744)	-	-	6,01,800	(54,744)
	Motilal Oswal Financial Services Limited	(400)	(19,206)	-	-	(400)	(19,206)
Deposit rent refundable	Motilal Oswal Securities Limited	-	8,52,750	-	-	-	8,52,750

Note : Income/receipts and payables are shown in brackets.

NOTE 25 :

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than forty five days as at the Balance Sheet date. The Micro, Small and Medium Enterprises have been identified on the basis of the information provided by the vendors to the Company. Further, no interest during the year has been paid or payable in respect thereof.

NOTE 26: EMPLOYEE BENEFITS

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

(a) Defined contribution Plan

Particulars

Employer's contribution to provident fund (including Admin charges)

For the year ended 31-Mar-2018 (In ₹)	For the year ended 31-Mar-2017 (In ₹)
1,174	61,274

(b) Defined benefit plan

The Company provides for gratuity benefit which is a defined benefit plan covering all its eligible employees. This plan is unfunded. The gratuity benefits are subject to a maximum limit of upto ₹ 20,00,000. The following table set out the status of the gratuity plan as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended) under Accounting Standard 15 "Employee benefits" and the reconciliation of opening and closing balances of the

NOTES TO FINANCIAL STATEMENT *(Contd..)*

present value of the defined benefit obligation. In the current year; the Company does not have any employees and hence no provision in respect of such benefits recognised.

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

Particulars	Gratuity (unfunded) (In ₹)		Other long- term benefits (In ₹)	
	Year ended 31/Mar/18	Year ended 31/Mar/17	Year ended 31/Mar/18	Year ended 31/Mar/17
I Assumptions as at				
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Discount Rate (per annum)	–	6.69%	–	6.69%
Rate of escalation in salary (per annum)	–	8.00%	–	–
Expected rate of return on plan assets (per annum)	–	–	–	–
Employee Attrition Rate (Past Service)	–	PS: 0 to 37 : 12.5%	–	PS: 0 to 37 : 28.16%
Expected average remaining service	–	6.36	–	2.27
II Changes in present value of defined benefit obligations (PVO)				
Liability at beginning of year	–	1,14,462	–	–
Interest cost	–	8,573	–	–
Current service cost	–	1,43,623	–	19,080
Benefits paid	–	–	–	–
Actuarial (gain)/loss on obligation	–	(1,52,264)	–	–
Liability at end of year	–	1,14,394	–	19,080
III Changes in fair value of plan assets				
Fair value of plan assets at beginning of year	–	–	–	–
Expected return on plan assets	–	–	–	–
Contributions	–	–	–	–
Benefit paid	–	–	–	–
Actuarial gain/(loss) on plan assets	–	–	–	–
Fair value of plan assets at end of year	–	–	–	–
IV Experience history				
(Gain)/loss on obligation due to change in Assumption	–	(26,619)	–	–
Experience (gain)/ loss on obligation	–	(1,25,645)	–	–
Actuarial gain/(loss) on plan assets	–	–	–	–
V Expense recognised in the statement of profit and loss				
Current service cost	–	1,43,623	–	19,080
Interest cost	–	8,573	–	–
Actuarial (gain)/loss on obligation	–	(1,52,264)	–	–
Expense recognized in the statement of profit and loss	–	(68)	–	19,080
VI Movements in the liability recognized in Balance Sheet				
Opening net liability	–	1,14,462	–	–
Expenses as above	–	(68)	–	19,080
Contribution paid	–	–	–	–
Closing net liability	–	1,14,394	–	19,080
VII Disclosure in balance sheet				
Current liability	–	379	–	–
Non-current liability	–	1,14,015	–	19,080

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 27:

Provisions made comprises of

For the year ended 31 March 2018

(In Rupees)

Particulars	Opening balance as on 1-April-2017	Provided during the financial year	Provision reversed / paid during the financial year	Closing balance as at 31-Mar-2018
Ex-gratia	2,67,821	–	2,67,821	–
Provision for gratuity	1,14,394	–	1,14,462	–
Compensated absences	19,080	–	19,080	–
	4,01,295	–	4,01,363	–

For the year ended 31 March 2017

(In Rupees)

Particulars	Opening balance as on 1-April-2016	Provided during the financial year	Provision reversed / paid during the financial year	Closing balance as at 31-Mar-2017
Ex - gratia	8,01,755	2,67,821	8,01,755	2,67,821
Provision for gratuity	1,14,462	1,14,394	1,14,462	1,14,394
Compensated absences	–	19,080	–	19,080
	9,16,217	4,01,295	9,16,217	4,01,295

NOTE 28 :

The Company has made an application under section 45-IA of Reserve Bank of India Act, 1934 for carrying out business of a Non-Systemically Important non-deposit taking non-banking financial company on 12 February 2018.

NOTE 29 :

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

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sudhir N. Pillai

Partner

Membership. No : 105782

Place : Mumbai

Date : 19 May 2018

For and on behalf of the Board of Directors

Motilal Oswal Capital Markets Limited

(Formerly known as Motilal Oswal Capital Markets Private Limited)

Ajay Menon

Director

DIN: 00024589

Place : Mumbai

Date : 19 May 2018

Anupam Agal

Director

DIN: 07608920



Aspire Home Finance Corporation Limited

Financial Statement 2017-2018

To the Members of Aspire Home Finance Corporation Limited

Report on the Financial Statement

We have audited the accompanying financial statement of Aspire Home Finance Corporation Limited (the 'Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the 'Act') with respect to the preparation of these financial statement that give a true and fair view of the state of affairs, profit / loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

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

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

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

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

We are also responsible to 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 the auditor's report to the related disclosures in the financial statement or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
- (e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting with reference to the financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company did not have any pending litigations as on 31 March 2018 which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. The disclosures in the financial statement regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. Corresponding amounts as appearing in the audited financial statement for the year ended 31 March 2017 have been disclosed.

Mumbai
21 May 2018

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vaibhav Shah
Partner

Membership No: 117377

ANNEXURE 'A'

To the Independent Auditors' Report



Aspire Home Finance Corporation Limited

Annexure A to the Independent Auditor's Report of even date on financial statement

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Company has a regular program of physical verification of its fixed assets by which all the fixed assets are being verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed upon such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, we have observed that there are no immovable properties in the name of the Company.
- (ii) The Company is a Housing Finance Company ('HFC'); accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provision of clause 3(iii) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans, made investments or provided guarantees during the year under section 185 and section 186 of the Act. Accordingly, the provision of clause 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Therefore, paragraph 3(v) of the order is not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable to the Company.
- (vii) a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, service tax, goods and service tax, cess and other material statutory dues have generally been regularly deposited by the Company with the appropriate authorities, though there has been slight delay during the year in depositing of dues relating to professional tax with the relevant authority. As explained to us the Company did not have any dues on account of sales tax, duty of customs, value added tax or duty of excise for the year ended 31 March 2018.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, service tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of income tax, service tax, goods and service tax and other material statutory dues which have not been deposited by the Company on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks, or dues to debenture holders. The Company did not have any outstanding borrowings from Government.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of issuance of non-convertible debentures and term loans, by the Company have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer during the year.

- (x) According to the information and explanation given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provision of clause 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and section 188 of the Act where applicable and the details have been disclosed in the financial statement, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made private placement of equity shares during the year and requirements of section 42 of the Act have been complied with and the amount raised have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given to us and based on our examination of the records, during the year the Company has not entered into any non-cash transactions with directors or persons connected with him and hence the provision of Section 192 of the Act is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of clause 3(xvi) of the Order is not applicable.

For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vaibhav Shah
Partner
Membership No: 117377

Mumbai
21 May 2018

ANNEXURE 'B'

To the Independent Auditors' Report



Aspire Home Finance Corporation Limited

Annexure B to the Independent Auditor's Report of even date on the financial statement

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

We have audited the internal financial controls over financial reporting of the Company as of 31 March 2018 in conjunction with our audit of the financial statement of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material 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 judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error.

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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vaibhav Shah
Partner
Membership No: 117377

Mumbai
21 May 2018

BALANCE SHEET

as at 31 March 2018



(Currency : ₹)

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017
I. EQUITY AND LIABILITIES:			
(1) Shareholders' funds:			
(a) Share capital	3	5,206,570,515	4,825,019,030
(b) Reserves and surplus	4	2,785,678,862	1,502,634,281
	(A)	7,992,249,377	6,327,653,311
(2) Non-current liabilities:			
(a) Long-term borrowings	5	30,329,188,338	34,534,082,913
(b) Long term provisions	7	770,809,695	214,725,772
	(B)	31,099,998,033	34,748,808,685
(3) Current liabilities:			
(a) Short-term borrowings	8	324,059,796	243,202,060
(b) Trade payables	9		
(i) total outstanding dues of micro enterprises and small enterprises		–	–
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		19,000,802	129,547,242
(c) Other current liabilities	10	11,350,509,668	5,086,527,998
(d) Short-term provisions	11	42,524,580	68,088,436
	(C)	11,736,094,846	5,527,365,736
TOTAL	(A+B+C)	50,828,342,256	46,603,827,732
II. ASSETS:			
(1) Non-current assets:			
(a) Fixed assets	12		
(i) Tangible assets		110,402,942	98,851,493
(ii) Intangible assets		22,357,169	12,775,436
(b) Long term loans and advances	13	47,161,389,453	40,347,266,100
(c) Deferred tax assets (net)	6	125,066,284	(35,832,786)
	(A)	47,419,215,848	40,423,060,243
(2) Current assets:			
(a) Current investments	14	–	2,798,254,851
(b) Trade receivables	15	75,995,786	90,438,343
(c) Cash and bank balances	16	873,468,221	1,644,006,632
(d) Short-term loans and advances	17	1,744,047,871	1,433,092,834
(e) Other current assets	18	715,614,530	214,974,829
	(B)	3,409,126,408	6,180,767,489
TOTAL	(A+B)	50,828,342,256	46,603,827,732

Significant accounting policies and notes to financial statement

1 - 61

BALANCE SHEET *(Contd..)*

as at 31 March 2018



The notes referred to above form an integral part of the financial statement.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

**For and on behalf of the Board of Directors of
Aspire Home Finance Corporation Limited**

Vaibhav Shah
Partner
Membership No: 117377

Motilal Oswal
Chairman
DIN: 00024503

Anil Sachidanand
Managing Director & CEO
DIN: 02698182

Mumbai
21 May 2018

Mumbai
21 May 2018

Kalpesh Ojha
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2018



(Currency : ₹)

Particulars	Note No.	For the year ended 31 March 2018	For the year ended 31 March 2017
Income			
Revenue from operations	19	6,463,365,589	4,929,224,544
Other income	20	161,267,703	778,622,824
Total (A)		6,624,633,292	5,707,847,368
Expenses			
Employee benefits	21	544,606,955	404,956,410
Finance cost	22	3,776,289,376	3,498,452,923
Depreciation and amortization expenses	12	64,098,946	32,916,146
Provision for contingencies	23	564,535,326	122,514,410
Other expenses	24	1,189,369,924	392,313,959
Total (B)		6,138,900,527	4,451,153,848
Profit before tax (C) = (A) - (B)		485,732,765	1,256,693,520
Less: Tax expense :			
(1) Current year		331,776,505	397,444,353
(2) Deferred tax (Refer Note : 6)		(160,899,070)	38,356,364
Profit after tax		314,855,330	820,892,803
Earnings per Share:	27		
Basic		0.06	0.19
Diluted		0.06	0.19
Face value per share		1	1
Significant accounting policies and notes to financial statement	1 - 61		

The notes referred to above form an integral part of the financial statement.

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Aspire Home Finance Corporation Limited

Vaibhav Shah
Partner
Membership No: 117377

Motilal Oswal
Chairman
DIN: 00024503

Anil Sachidanand
Managing Director & CEO
DIN: 02698182

Kalpesh Ojha
Chief Financial Officer

Mumbai
21 May 2018

Mumbai
21 May 2018

CASH FLOW STATEMENT

for the year ended 31 March 2018



(Currency : ₹)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash flows from operating activities		
Net profit before tax	485,732,765	1,256,693,520
Adjustments for:		
Depreciation and amortization	64,098,946	32,916,146
Employee stock option expense	14,609,534	76,552
Utilization of security premium	(184,427,183)	–
Bad Debts written off	715,253,649	–
Provision for contingencies	564,535,326	122,514,410
Profit on sale of investments	(150,089,478)	(757,647,259)
Dividend income	(2,199,589)	(15,398,232)
Operating profit before working capital changes	1,507,513,970	639,155,137
Adjustment for working capital changes:		
Increase/(Decrease) in long-term provisions	1,891,281	10,024,806
Increase/(Decrease) in trade payables	(110,546,440)	12,446,712
Increase/(Decrease) in other current liabilities	989,389,283	2,080,991,983
Increase/(Decrease) in short-term provisions	(35,718,177)	37,167,884
(Increase)/Decrease in long-term loans and advances	(7,529,652,319)	(19,931,413,572)
(Increase)/Decrease in trade receivables	14,442,558	(46,434,096)
(Increase)/Decrease in short-term loans and advances	(310,955,037)	(796,691,579)
(Increase)/Decrease in other current assets	(500,639,701)	(196,091,648)
Cash generated from operations	(5,974,274,582)	(18,190,844,372)
Income taxes paid	(331,689,551)	(464,847,880)
Net cash used in operating activities (A)	(6,305,964,133)	(18,655,692,252)
Cash flows from investing activities		
Purchase of fixed assets	(85,232,128)	(107,719,440)
Sale of investments	118,089,960,103	154,255,262,297
Purchase of investments	(115,141,615,774)	(154,556,721,367)
Investment in fixed deposits	–	(25,000,000)
Dividend income	2,199,589	15,398,232
Net cash generated from / (used in) investing activities (B)	2,865,311,790	(418,780,279)
Cash flows from financing activities		
Proceeds from issue of equity shares including premium	1,519,558,385	2,017,119,406
Proceeds from borrowings (Net of payments)	1,150,555,548	18,482,320,005
Net cash generated from financing activities (C)	2,670,113,933	20,499,439,411
Net increase in cash and cash equivalents (A+B+C)	(770,538,410)	1,424,966,881

CASH FLOW STATEMENT *(Contd..)*

for the year ended 31 March 2018



(Currency : ₹)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash and cash equivalents at the beginning of the year	1,619,006,632	194,039,751
Cash and cash equivalents as at end of the year	848,468,221	1,619,006,632
Components of cash and cash equivalents		
Cash in hand	37,149,991	–
Balance with banks in current accounts	811,318,230	1,569,006,632
Fixed Deposit (maturing within a period of three months)	–	50,000,000
Cash and cash equivalents as at end of the year	848,468,221	1,619,006,632

As per our report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Aspire Home Finance Corporation Limited

Vaibhav Shah
Partner
Membership No: 117377

Motilal Oswal
Chairman
DIN: 00024503

Anil Sachidanand
Managing Director & CEO
DIN: 02698182

Mumbai
21 May 2018

Mumbai
21 May 2018

Kalpesh Ojha
Chief Financial Officer

NOTES TO FINANCIAL STATEMENT

for the year ended 31 March 2018



(Currency : ₹)

1 Overview

Aspire Home Finance Corporation Limited ("the Company") was incorporated in India on 01 October 2013. The Company is registered with the National Housing Bank under section 29A of the National Housing Bank Act, 1987 with effect from 19 May 2014. The Company is primarily engaged into providing loans for purchase or construction of residential houses.

2 Significant accounting policies

2.1 Basis of preparation

The financial statement have been prepared and presented under the historical cost convention and accrual basis of accounting, unless otherwise stated, and in accordance with the generally accepted accounting principles in India ("Indian GAAP"), and conform to the statutory requirements, circulars and guidelines issued by the National Housing Bank ("NHB") from time to time to the extent applicable. The financial statement have been prepared to comply in all material respects with the Accounting Standards ("AS") notified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 to the extent applicable.

2.2 Use of estimates

The preparation of financial statement in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities including contingent liabilities as of the date of the financial statement and the reported amounts of revenues and expenses for the reporting period. The estimates and assumptions used in the accompanying financial statement are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statement. Actual results could differ from these estimates. Any revisions to accounting estimates are recognized prospectively in the current and future periods.

2.3 Borrowings and borrowing costs

a. Borrowing costs

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

b. Zero coupon instrument

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

2.4 Fixed assets and depreciation

Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment, if any. The cost of fixed assets comprise purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Subsequent expenditure incurred on assets is capitalized only when it increases the future benefit / functioning capability from / of such assets.

Depreciation is charged over the estimated useful life of the fixed assets on a written down value basis in the manner prescribed in schedule II of the Companies Act, 2013.

- Improvements to lease hold premises are charged off over the primary period of lease or its useful life, whichever is lower.
- Assets individually costing less than ₹ 5,000/- are fully depreciated in the year of purchase.
- The Company has estimated 5% residual value at the end of the useful life for all block of assets.
- For assets purchased and sold during the year, depreciation is provided on a pro rata basis by the Company.

NOTES TO FINANCIAL STATEMENT (Contd..)

for the year ended 31 March 2018



(Currency : ₹)

Intangible fixed assets

Software and system development expenditure are capitalized at cost of acquisition including cost attributable to bring the same in working condition and the useful life of the same is estimated of 5 years with zero residual value. Any expenses on such software for support and maintenance payable annually are charged to the statement of profit and loss.

2.5 Impairment of assets

The Company assesses at the balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or the cash generating unit ("CGU"). If such recoverable amount of the asset or the recoverable amount of the CGU to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the revised recoverable amount, subject to maximum of the depreciated historical cost.

2.6 Investments

In accordance with AS - 13 on "Accounting for Investments" and the Guidelines issued by the National Housing Bank ("NHB"), investments expected to mature after twelve months are taken as long-term investment and stated at cost. Provision is recognized only in case of diminution, which is other than temporary in nature. All other investment are recognized as current investments and are valued at lower of cost and fair value. In case of unquoted units of schemes of mutual fund, NAV declared by respective mutual fund is considered as fair value.

2.7 Loans and advances: Classification and provisioning

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

2.8 Revenue recognition

a. Interest on housing loans

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

b. Fees and other charges

- (i) Upfront processing fees are recovered and recognized at the time of disbursement of loan.
- (ii) Other charges such as cheque bounce charges, late payment charges, SOA charges, Foreclosure statement charges are recognized when there is no significant uncertainty as to determination and realization.
- (iii) In case of non-performing asset, fees and other charges are recognized upon realisation as per the NHB guidelines.

c. Income from investments

- (i) Dividend income on investments is recognized in the statement of profit and loss when the right to receive is established.

NOTES TO FINANCIAL STATEMENT (Contd..)

for the year ended 31 March 2018



(Currency : ₹)

(ii) Interest income on fixed deposits is recognized on a time proportion basis.

d. Other income

(i) In other cases, income is recognized following accrual principles when there is no significant uncertainty as to determination and realization.

2.9 Employee benefits

Defined contribution plans

The Company makes specified monthly contributions towards employee provident fund to government administered provident fund scheme which is a defined contribution plan. The Company's contributions is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

Gratuity

The Company's gratuity scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit is calculated by estimating the amount of future benefit that the employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method which recognizes each period of service that gives rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at present value of estimated future cash flows. The discounted rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Actuarial gains and losses are recognized in the statement of profit and loss.

Compensated absences

The employees of the Company are entitled to carry forward their unavailed / unutilized leave for one year subject to a maximum limit as per the Company's policy. The employees are not entitled to encash unavailed / unutilized leave. Accumulating compensated absences are measured based on management estimates.

Employee Stock Option Expenses :

The Employees Stock Options Scheme ("the Scheme") has been established by the company. The Scheme provides that employees are granted an option to subscribe to equity share of the company that vest on the satisfaction of vesting conditions. The options may be exercised within specified period. Measurement and disclosure of Employee Share-based Payment Plan is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by The Institute of Chartered Accountants of India. The company follows the fair value method to account for its stock based employee compensation plans, till last year company used to follow intrinsic value method.

2.10 Income tax

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Current tax

Provision for current income-tax is recognized in accordance with the provisions of Income-tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Deferred tax

Deferred tax is recognized in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities

NOTES TO FINANCIAL STATEMENT *(Contd..)*

for the year ended 31 March 2018



(Currency : ₹)

or assets are recognized using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets / liabilities are recognized only to the extent there is reasonable certainty that the assets / liabilities can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets / liabilities are reviewed as at the each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

2.11 Provisions and contingencies

The Company recognizes provision when there is present obligation 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 of the amount of the obligation can be made. In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonably estimated, a disclosure is made in the financial statement. Provisions are reviewed at the balance sheet date and adjusted to reflect the current management estimates. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resource is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statement.

2.12 Earnings per share (EPS)

Basic earnings per equity share have been computed by dividing net profit / loss available to the equity share holders for the year by weighted average number of equity shares outstanding during the year. Diluted earnings per equity share have been computed by dividing the net profit available to the equity share holders after giving impact of dilutive potential equity shares for the year by weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive.

2.13 Operating leases

Payments under lease arrangement, where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are charged to the statement of profit and loss on an agreed term, unless another systematic basis is more appropriate.

2.15 Foreign Exchange Transactions :

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transactions. Transactions remaining unsettled are translated at the exchange rates prevailing on the date of the Balance Sheet, except those covered by forward contract, currency swap contracts. Any gain or losses on account of exchange differences either on settlement or on translation are recognized in the Statement of Profit and Loss. In respect of Forward Exchange Contracts the premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts on reporting dates are recognized in the Statement of Profit and Loss. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as an expense in that year.

NOTES TO FINANCIAL STATEMENT (Contd..)

for the year ended 31 March 2018



(Currency : ₹)

Particulars	As at 31 March 2018	As at 31 March 2017
3 Share capital		
3.1 Authorised :		
10,000,000,000 (previous year: 10,000,000,000) equity shares of Re. 1 each	10,000,000,000	10,000,000,000
	10,000,000,000	10,000,000,000
3.2 Issued, Subscribed and Paid up :		
5,206,570,515 (previous year: 4,825,019,030) equity shares of Re. 1 each , fully paid-up	5,206,570,515	4,825,019,030
	5,206,570,515	4,825,019,030

Notes:

- The Company has only one class of equity shares having a face value of Re. 1 each. Each holder of equity shares is entitled to one vote per share.
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their holding. However, there exists no preferential liability as on 31 March 2018.

3.3 Movement in share capital :

	As at 31 March 2018		As at 31 March 2017	
	No of shares	Amount	No of shares	Amount
Equity shares				
Outstanding at the beginning of the year	4,825,019,030	4,825,019,030	3,057,166,790	3,057,166,790
Issued during the year	381,551,485	381,551,485	1,767,852,240	1,767,852,240
Call money	-	-	-	-
Outstanding at the end of the year	5,206,570,515	5,206,570,515	4,825,019,030	4,825,019,030

3.4 Details of shares held by holding Company / shareholders holding more than 5% shares in the Company

	As at 31 March 2018		As at 31 March 2017	
	No. of shares	% of holding	No. of shares	% of holding
Motilal Oswal Securities Limited				
Equity share of Re. 1 each fully paid-up	3,987,759,601	76.60%	3,936,035,460	81.58%
Motilal Oswal Financial Services Limited				
Equity share of Re. 1 each fully paid-up	788,508,296	15.14%	738,983,470	15.32%
	4,776,267,897	91.74%	4,675,018,930	96.90%

Note: Refer note No. 33 for disclosure relating to employee stock option scheme.

NOTES TO FINANCIAL STATEMENT (Contd.)

for the year ended 31 March 2018



(Currency : ₹)

3.5 Shares held by each of the following as at the balance sheet date (in aggregate for entities falling under each category)

Particulars	As at 31 March 2018	As at 31 March 2017
i) Holding Company	3,987,759,601	3,936,035,460
ii) Ultimate Holding Company	–	
iii) Subsidiaries of Holding Company	192,307,712	20
iv) Subsidiaries of Ultimate Holding Company (other than those included in (iii) above)	848,853,152	738,983,500
	5,028,920,465	4,675,018,980

3.6 Shares reserved against the granted options to Employees are 8,89,45,000.

Particulars	As at 31 March 2018	As at 31 March 2017
4 Reserves and surplus		
Statutory reserve *		
Opening balance	248,524,983	84,346,422
Add: Additions during the year	128,542,247	164,178,561
Closing balance	377,067,230	248,524,983
Securities premium		
Opening balance	262,685,335	13,418,169
Add: Securities premium on shares issued during the year	1,138,006,900	249,267,166
Less: Utilised during the year**	(184,427,183)	–
Closing balance	1,216,265,052	262,685,335
Employee Stock Options Scheme Outstanding		
Opening balance	76,552	–
Add: Addition during the year	14,609,534	76,552
Closing balance	14,686,086	76,552
Surplus / (deficit) in statement of profit and loss		
Opening balance	991,347,411	334,633,169
Add: Profit for the year	314,855,330	820,892,803
Less: Transfer to statutory reserve	(128,542,248)	(164,178,561)
Closing balance	1,177,660,494	991,347,411
	2,785,678,862	1,502,634,281

*As per section 29C of the National Housing Bank Act, 1987 and Section 36(1)(viii) of Income Tax Act, 1961.

** In accordance with Section 52 of the Companies Act 2013 during the year the Company has utilised Securities Premium Account towards Premium on Redemption of Non-Convertible Debenture amounting to ₹ 283,489,890 net of tax of ₹ 99,062,707.

NOTES TO FINANCIAL STATEMENT (Contd.)

for the year ended 31 March 2018



(Currency : ₹)

Particulars	As at 31 March 2018	As at 31 March 2017
5 Long term borrowings		
Secured		
Secured redeemable non-convertible debentures	10,749,000,000	11,749,000,000
Zero coupon debentures	1,300,000,000	1,300,000,000
Term loans from banks	17,858,703,068	15,789,005,256
Unsecured		
Unsecured redeemable non-convertible debentures	7,900,000,000	7,900,000,000
Zero coupon debentures	1,000,000,000	1,000,000,000
	38,807,703,068	37,738,005,256
Less : Current maturities of long term borrowings	(8,478,514,730)	(3,203,922,343)
	30,329,188,338	34,534,082,913

Security and other terms of debentures are as follows :

As at 31 March 2018

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

NOTES TO FINANCIAL STATEMENT (Contd..)

for the year ended 31 March 2018



(Currency : ₹)

NCD Series	Units	Amount in ₹	Security provided	Charge %
Series C (2016-17)/1	800	800,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time
Series C (2016-17)/2	200	200,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time
Series C (2016-17)/3	746	746,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time
Series C (2016-17)/4	80	80,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time
Series C (2016-17)/5 & 6	174	174,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time
Series C (2016-17)/7	691	691,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time
Series C (2016-17)/8	60	60,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time
Series C (2016-17)/9	100	100,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time
Series C (2016-17)/10	51	51,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time
Total	12049	12,049,000,000		

Security and other terms of debentures are as follows :

As at 31 March 2017

NCD Series	Units	Amount in ₹	Security provided	Charge %
Series A (2015-16)/1	1,000	1,000,000,000	Exclusive charge over specific receivables	1.10 Times of amount Outstanding
Series A (2015-16)/2	250	250,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding
Series A (2015-16)/3	500	500,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding
Series A (2015-16)/4	150	150,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding

NOTES TO FINANCIAL STATEMENT *(Contd..)*

for the year ended 31 March 2018



(Currency : ₹)

NCD Series	Units	Amount in ₹	Security provided	Charge %
Series A (2015-16)/5	750	750,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding
Series A (2015-16)/6	1,500	1,500,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding
Series A (2015-16)/7	1,000	1,000,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding
Series A (2015-16)/8	250	250,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding
Series A (2015-16)/9	250	250,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding
Series A (2015-16)/10	1,500	1,500,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding
Series A (2015-16)/13	700	700,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding
Series A (2016-17)/4	1,250	1,250,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding
Series A (2016-17)/7	997	997,000,000	Exclusive charge over specific receivables	1.10 Times of amount Outstanding
Series A (2016-17)/10	50	50,000,000	Exclusive charge over specific receivables	1.05 Times of amount Outstanding
Series C (2016-17)/1	800	800,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time
Series C (2016-17)/2	200	200,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time
Series C (2016-17)/3	746	746,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time
Series C (2016-17)/4	80	80,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time
Series C (2016-17)/5 & 6	174	174,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time
Series C (2016-17)/7	691	691,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time
Series C (2016-17)/8	60	60,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time

NOTES TO FINANCIAL STATEMENT (Contd.)

for the year ended 31 March 2018



(Currency : ₹)

NCD Series	Units	Amount in ₹	Security provided	Charge %
Series C (2016-17)/9	100	100,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time
Series C (2016-17)/10	51	51,000,000	Exclusive charge over specific receivables	1.00 Time of amount Outstanding and Interest amount outstanding at any point of time
Total	13,049	13,049,000,000		

Terms of repayment of debentures

As at 31 March 2018

Debentures - secured				
Maturity	0-3 years	3-5 years	>5 years	Total
Rate of interest				
10.85%	150,000,000	–	–	150,000,000
10.84%	1,500,000,000	–	–	1,500,000,000
10.84%	1,000,000,000	–	–	1,000,000,000
10.84%	250,000,000	–	–	250,000,000
10.75%	500,000,000	–	–	500,000,000
10.70%	700,000,000	–	–	700,000,000
10.70%	1,250,000,000	–	–	1,250,000,000
10.25%	80,000,000	–	–	80,000,000
10.01%	174,000,000	–	–	174,000,000
10.00%	800,000,000	–	–	800,000,000
10.00%	200,000,000	–	–	200,000,000
10.00%	746,000,000	–	–	746,000,000
10.00%	691,000,000	–	–	691,000,000
9.85%	–	–	997,000,000	997,000,000
9.80%	60,000,000	–	–	60,000,000
9.80%	100,000,000	–	–	100,000,000
9.75%	1,500,000,000	–	–	1,500,000,000
9.55%	51,000,000	–	–	51,000,000
Zero coupon	1,300,000,000	–	–	1,300,000,000
Total	11,052,000,000	–	997,000,000	12,049,000,000

Terms of repayment of debentures

As at 31 March 2017

Debentures - secured				
Maturity	0-3 years	3-5 years	>5 years	Total
Rate of interest				
11.00%	1,000,000,000	–	–	1,000,000,000
10.75%	–	500,000,000	–	500,000,000
10.85%	150,000,000	–	–	150,000,000

NOTES TO FINANCIAL STATEMENT (Contd.)

for the year ended 31 March 2018



(Currency : ₹)

Debtures - secured				
Maturity	0-3 years	3-5 years	>5 years	Total
10.84%	1,500,000,000	–	–	1,500,000,000
10.84%	1,000,000,000	–	–	1,000,000,000
10.84%	250,000,000	–	–	250,000,000
9.75%	–	1,500,000,000	–	1,500,000,000
10.70%	700,000,000	–	–	700,000,000
10.70%	1,250,000,000	–	–	1,250,000,000
9.85%	–	–	997,000,000	997,000,000
10.00%	800,000,000	–	–	800,000,000
10.00%	200,000,000	–	–	200,000,000
10.00%	746,000,000	–	–	746,000,000
10.25%	80,000,000	–	–	80,000,000
10.01%	174,000,000	–	–	174,000,000
10.00%	691,000,000	–	–	691,000,000
9.80%	60,000,000	–	–	60,000,000
9.80%	100,000,000	–	–	100,000,000
9.55%	51,000,000	–	–	51,000,000
Zero coupon	1,300,000,000	–	–	1,300,000,000
Total	10,052,000,000	2,000,000,000	997,000,000	13,049,000,000

Terms of repayment of debtures

As at 31 March 2018

Debtures - unsecured				
Maturity	0-3 years	3-5 years	>5 years	Total
Rate of interest				
11.15%	–	500,000,000	–	500,000,000
11.00%	–	300,000,000	–	300,000,000
11.00%	–	200,000,000	–	200,000,000
11.00%	250,000,000	–	–	250,000,000
11.00%	1,000,000,000	–	–	1,000,000,000
11.00%	500,000,000	–	–	500,000,000
11.00%	500,000,000	–	–	500,000,000
11.00%	–	–	500,000,000	500,000,000
10.85%	1,000,000,000	–	–	1,000,000,000
10.82%	150,000,000	–	–	150,000,000
10.50%	500,000,000	–	–	500,000,000
8.65%	–	–	2,500,000,000	2,500,000,000
Zero coupon	1,000,000,000	–	–	1,000,000,000
Total	4,900,000,000	1,000,000,000	3,000,000,000	8,900,000,000

NOTES TO FINANCIAL STATEMENT (Contd.)

for the year ended 31 March 2018



(Currency : ₹)

Terms of repayment of debentures

As at 31 March 2017

Debentures - unsecured				
Maturity	0-3 years	3-5 years	>5 years	Total
Rate of interest				
10.82%	150,000,000	–	–	150,000,000
11.00%	–	300,000,000	–	300,000,000
11.00%	–	200,000,000	–	200,000,000
11.15%	–	500,000,000	–	500,000,000
11.00%	250,000,000	–	–	250,000,000
11.00%	1,000,000,000	–	–	1,000,000,000
11.00%	500,000,000	–	–	500,000,000
11.00%	500,000,000	–	–	500,000,000
9.99%	–	–	2,500,000,000	2,500,000,000
10.85%	–	1,000,000,000	–	1,000,000,000
11.00%	–	–	500,000,000	500,000,000
10.50%	500,000,000	–	–	500,000,000
Zero coupon	1,000,000,000	–	–	1,000,000,000
Total	3,900,000,000	2,000,000,000	3,000,000,000	8,900,000,000

Security and other terms of term loans are as follows :

As at 31 March 2018

Terms of repayment of terms loans				
Term loans from banks - secured by way of hypothecation of receivables i.e. loans and advances.				
Maturity	0-3 years	3-5 years	>5 years	Total
Rate of interest				
8.25 % to 10.25% annually	9,188,739,525	4,384,797,649	4,285,165,894	17,858,703,068
Total	9,188,739,525	4,384,797,649	4,285,165,894	17,858,703,068

As at 31 March 2017

Terms of repayment of terms loans				
Term loans from banks - secured by way of hypothecation of receivables i.e. loans and advances.				
Maturity	0-3 years	3-5 years	>5 years	Total
Rate of interest				
8.50 % to 11% annually	7,602,544,889	3,802,987,045	4,383,473,323	15,789,005,256
Total	7,602,544,889	3,802,987,045	4,383,473,323	15,789,005,256

NOTES TO FINANCIAL STATEMENT (Contd..)

for the year ended 31 March 2018



(Currency : ₹)

Particulars	As at 31 March 2018	As at 31 March 2017
6 Deferred tax asset / (liability) (net)		
Deferred tax assets		
Provision for gratuity	5,159,324	4,415,552
Provision for standard assets, sub-standard assets and doubtful assets	259,506,228	73,286,285
Provision for compensated absence	3,321,307	3,438,389
Difference between book depreciation and tax depreciation	15,053,246	–
Other employee benefits	187,949	224,046
Gross deferred tax assets	283,228,054	81,364,272
Deferred tax liabilities		
Difference between book depreciation and tax depreciation	–	340,337
Reserve Created u/s 36(1)(viii)	107,429,380	61,910,504
Unamortized borrowing cost	50,732,390	54,946,217
Gross deferred tax liabilities	158,161,770	117,197,058
Net Deferred tax asset / (liability)	125,066,283	(35,832,786)
7 Long-term provisions		
Provision for employee benefits		
Gratuity*	14,358,542	12,357,734
Other employee benefit	537,855	647,382
Other provisions		
(a) Provisions against standard assets**	179,385,195	159,471,360
(b) Provision for sub standard assets**	399,656,086	23,816,117
(c) Provision for doubtful assets**	176,872,017	18,433,179
	770,809,695	214,725,772
*Refer note 30		
**Refer note 31		
8 Short-term borrowings		
Secured		
Loans repayable on demand		
Short term loans from banks*	324,059,796	–
Unsecured		
Other loans and advances		
Commercial Papers (Net off unamortized cost)	–	243,202,060
	324,059,796	243,202,060

* Secured by way of hypothecation of housing loans given by the Company. These are repayable on demand and carry interest rate of 8.60% to 11.35% per annum.

NOTES TO FINANCIAL STATEMENT (Contd..)

for the year ended 31 March 2018



(Currency : ₹)

Particulars	As at 31 March 2018	As at 31 March 2017
9 Trade payables		
Creditors		
Due to Micro, Small and Medium Enterprises*	—	—
Due to others	19,000,802	129,547,242
	19,000,802	129,547,242
*Refer note 35		
10 Other current liabilities		
Current maturities of long term borrowings	8,478,514,730	3,203,922,343
Interest accrued but not due on borrowings	2,112,015,485	1,638,000,971
Statutory liabilities	18,926,400	14,814,108
Book overdraft	618,715,582	1,503,664
Salary and bonus payable	34,015,517	70,387,406
Due to Micro, Small and Medium Enterprises*	5,319,028	5,005,697
Due to others	83,002,926	152,893,809
	11,350,509,668	5,086,527,998
*Refer note 35		
11 Short-term provisions		
Provision for employee benefits		
Gratuity*	406,007	401,027
Other employee benefits	428,775	—
Compensated absences	9,504,656	9,935,242
Other provisions		
Provision for expenses	11,659,834	47,381,180
Provision for taxes (Net of Advance Tax and Tax Deducted at Source CY ₹ 235,596,374 (PY ₹ 394,397,238))	142,169	330,533
Contingent Provision against standard assets**	6,861,296	5,362,206
Provision for sub standard assets**	8,829,976	799,961
Provision for doubtful assets**	4,691,867	3,878,288
	42,524,580	68,088,436
*Refer note 30		
**Refer note 31		

NOTES TO FINANCIAL STATEMENT (Contd..)

for the year ended 31 March 2018



(Currency : ₹)

12 Fixed assets

Description of assets	Gross block			Depreciation			Net block	
	As at 1 April 2017	Additions during the year	Deductions during the year	As at 31 March 2018	For the year	Deductions during the year	As at 31 March 2018	As at 31 March 2017
Tangible assets:								
Computers and data processing units	48,002,416	19,735,082	-	67,737,498	22,918,350	-	45,774,747	25,146,019
Furniture and fixtures	29,402,872	9,582,582	-	38,985,454	7,912,771	-	13,738,136	23,577,507
Electric installations	10,402,040	9,182,070	-	19,584,110	6,259,286	-	7,526,169	9,135,157
Office equipment's	19,130,107	11,300,069	-	30,430,176	6,919,008	-	10,022,088	16,027,027
Motor car	-	1,139,596	-	1,139,596	253,410	-	253,410	886,185
Leasehold improvements	33,765,179	20,385,104	-	54,150,283	15,510,228	-	24,309,624	24,965,783
Total tangible assets (a)	140,702,614	71,324,503	-	212,027,117	59,773,054	-	101,624,175	98,851,493
Intangible assets:								
Computer software	16,459,535	13,907,625	-	30,367,160	4,325,892	-	8,009,991	12,775,436
Total intangible assets (b)	16,459,535	13,907,625	-	30,367,160	4,325,892	-	8,009,991	12,775,436
Total (a) + (b) = (c)	157,162,149	85,232,128	-	242,394,277	64,098,946	-	132,760,111	111,626,929

Description of assets	Gross block			Depreciation			Net block	
	As at 1 April 2016	Additions during the year	Deductions during the year	As at 31 March 2017	For the year	Deductions during the year	As at 31 March 2017	As at 31 March 2016
Tangible assets:								
Computers and data processing units	20,097,758	28,522,658	618,000	48,002,416	15,669,045	100,624	22,856,397	12,809,782
Furniture and fixtures	9,815,986	19,586,886	-	29,402,872	4,414,587	-	5,825,365	8,405,209
Electric installations	161,741	10,240,299	-	10,402,040	1,252,540	-	1,266,883	147,398
Office equipment's	3,289,977	15,840,130	-	19,130,107	2,624,493	-	3,103,080	2,811,389
Leasehold improvements	10,791,662	22,973,517	-	33,765,179	6,847,730	-	8,799,397	8,839,996
Total tangible assets (a)	44,157,124	97,163,490	618,000	140,702,614	30,808,396	100,624	41,851,123	33,013,774
Intangible assets:								
Computer software	5,285,585	11,173,950	-	16,459,535	2,208,375	-	3,684,099	3,809,861
Total intangible assets (b)	5,285,585	11,173,950	-	16,459,535	2,208,375	-	3,684,099	3,809,861
Total (a) + (b) = (c)	49,442,709	108,337,440	618,000	157,162,149	33,016,770	100,624	45,535,221	36,823,635

NOTES TO FINANCIAL STATEMENT (Contd.)

for the year ended 31 March 2018



(Currency : ₹)

Particulars	As at 31 March 2018	As at 31 March 2017
13 Long-term loans and advances		
Secured, considered good		
Home Loans *		
Loans to others		
Standard assets (considered good)	44,832,634,889	39,829,754,090
Sub standard assets	1,642,463,169	158,774,117
Doubtful assets	481,438,126	73,732,718
Loans to related parties		
Standard assets (considered good)	9,618,400	10,371,175
Unsecured, considered good		
Security deposit	54,616,562	51,267,220
Capital advances	5,240,302	32,514,024
Advance income tax (Net of provision CY ₹ 611,821,879, PY ₹ 214,377,526)	1,192,567	1,467,884
Unamortized borrowing cost	134,185,438	189,384,872
	47,161,389,453	40,347,266,100

* Loans granted by the Company are secured by equitable mortgage/ registered mortgage of the property and/or undertaking to create security and/or personal guarantees.

14 Current investments		
Current Investments (Unquoted - at lower of cost or market value)		
Investments in Mutual Funds	–	2,798,254,851
Current Maturity of Long Term Investment (at cost unless otherwise stated)		
Investments in Mutual Funds	–	–
Total	–	2,798,254,851
Aggregate book value of quoted investments	–	–
Aggregate book value of unquoted investments	–	2,798,254,851
Aggregate market value of quoted investments	–	–
Aggregate provision made for diminution in value of investments	–	–
Details of Current Investments		
No of Units		
Reliance medium term fund - direct weekly dividend	–	38,112,154
Reliance money manager fund - direct growth plan growth option	–	–
Motilal Oswal Most Ultra Short Term Bond Fund - Direct Plan-Growth option	–	77,130,737
Franklin India Ultra Short Bond Fund Super Institutional Plan - Direct	–	55,895,345
Invesco India Medium Term Bond Fund - Direct Plan Annual	–	482,959
	–	171,621,194

NOTES TO FINANCIAL STATEMENT (Contd..)

for the year ended 31 March 2018



(Currency : ₹)

Particulars	As at 31 March 2018	As at 31 March 2017
Details		
No. of units	–	171,621,194
Total market value of unquoted investment	–	2,799,563,604
Total book value of unquoted investment	–	2,798,254,851
15 Trade receivables		
Unsecured, considered good		
Outstanding for a period less than six months	75,995,786	90,438,343
	75,995,786	90,438,343
16 Cash and bank balances		
Cash and cash equivalents		
Balances with banks (current accounts)	811,318,230	1,569,006,632
Deposits having maturity of less than 3 months	–	50,000,000
Cash in hand	37,149,991	–
	848,468,221	1,619,006,632
Other bank balances		
Deposits having maturity between 3 to 12 months	25,000,000	25,000,000
	873,468,221	1,644,006,632
17 Short-term loans and advances		
Secured, considered good		
Home Loans *		
Loans to others		
Standard assets (considered good)	1,587,225,724	1,337,843,386
Sub standard assets	58,138,007	5,333,071
Doubtful assets	17,055,226	2,476,612
Loans to related parties		
Standard assets (considered good)	936,318	899,665
Unsecured, considered good		
Advance to employees	3,807,092	4,455,845
Loans to staff	3,162,989	877,550
Advance payment of interest	303,372	421,678
Prepaid expenses	2,441,365	1,330,210
Unamortized borrowing cost	64,457,628	66,914,163
Service tax credit receivable	6,342,152	12,540,654
GST Credit receivable	69,960	–
Other advances	108,038	–
	1,744,047,871	1,433,092,834

* Loans granted by the Company are secured by equitable mortgage/ registered mortgage of the property and/or undertaking to create security and/or personal guarantees.

NOTES TO FINANCIAL STATEMENT (Contd.)

for the year ended 31 March 2018



(Currency : ₹)

Particulars	As at 31 March 2018	As at 31 March 2017
18 Other current assets		
Interest accrued but not due on home loans	309,160,926	162,713,967
Interest accrued but not due on fixed deposits with banks	2,678,177	3,595,440
EMI /Pre EMI receivables on home loans	162,471,506	33,651,085
Insurance claim receivable	9,551,682	15,014,337
Stock of acquire properties (held for sale or disposal)	229,160,890	–
Other receivable from related parties	2,591,349	–
	715,614,530	214,974,829
Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
19 Revenue from operations		
Interest income on loans	5,912,229,773	3,978,614,084
Processing fees	331,373,484	551,861,781
Other operating income	219,762,332	398,748,679
	6,463,365,589	4,929,224,544
20 Other income		
Dividend income on mutual funds	2,199,589	15,398,232
Interest on fixed deposits with banks	8,978,636	5,577,333
Net gain on sale of investments	150,089,478	757,647,259
	161,267,703	778,622,824
21 Employee benefit expenses		
Salaries, wages and bonus	496,805,616	378,705,429
Contribution to provident and other funds	27,261,495	13,438,535
Staff welfare expenses	4,012,030	3,179,379
Gratuity*	2,005,788	9,556,515
Employees Stock Option expenses**	14,522,026	76,552
	544,606,955	404,956,410

*Refer note 30

** Refer note 33

NOTES TO FINANCIAL STATEMENT (Contd..)

for the year ended 31 March 2018



(Currency : ₹)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
22 Finance costs		
Interest on debentures*	1,942,315,754	2,005,381,881
Interest on term loans/ Cash credit	1,691,276,761	1,159,656,665
Discount on commercial papers	24,859,941	213,140,310
Other borrowing costs	117,836,920	120,274,067
	3,776,289,376	3,498,452,923
23 Provision for contingencies		
Provision on standard assets	21,412,925	81,404,167
Provision on sub standard assets	383,869,984	18,798,776
Provision on doubtful assets	159,252,417	22,311,467
	564,535,326	122,514,410
24 Other expenses		
Legal & professional charges	46,286,041	94,306,989
Commission and brokerage	9,028,909	21,341,636
Valuation charges	25,916,223	45,225,223
Rent	115,901,282	75,063,735
Business promotion expenses	11,179,496	17,684,210
Filing fees	24,335	1,690,600
Printing & stationery	12,731,856	11,665,154
Travelling and conveyance	26,524,838	15,458,859
Computer maintenance & software charges	1,423,960	799,521
Car running expenses	3,005,846	1,108,474
Data processing charges	42,771,691	16,229,769
Bad debts written-off	715,253,649	-
Communication and data charges	24,562,007	13,060,566
Auditor's remuneration (refer note no. 28)	3,877,078	3,930,446
Power and fuel	18,841,289	9,910,203
Insurance	4,441,087	1,943,474
Advertisement and marketing expenses	5,713,650	161,820
Membership & subscription fees	205,080	336,938
Rates & taxes	29,596,356	1,487,320
Corporate Social Responsibility Expense*	14,550,000	4,434,000
Miscellaneous expenses	77,535,252	56,475,022
	1,189,369,924	392,313,959

* Company is required to contribute to Corporate Social Responsibility (CSR) activity as per CSR Rules under the Companies Act, 2013. During the year Company has spent ₹ 14,550,000 out of required sum of ₹ 14,512,190.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

for the year ended 31 March 2018



(Currency : ₹)

25 Segmental Reporting

The Company is primarily engaged into business of providing loans for purchase or construction of residential houses. Further the Company does not have any separate geographical segment in India. As such there are no separate reportable segment as per AS 17 "Segment Reporting".

26 Related parties

(A) Names of related parties by whom control is exercised

Passionate Investment Management Private Limited	- Ultimate holding Company
Motilal Oswal Financial Services Limited	- Intermediate Holding Company
Motilal Oswal Securities Limited	- Holding Company
Motilal Oswal Investment Advisors Limited	- Fellow Subsidiary Company
Motilal Oswal Wealth Management Private Limited	- Fellow Subsidiary Company

(B) Key managerial personnel

Motilal Oswal	- Non Executive Director and Chairman
Raamdeo Agrawal	- Non Executive Director
Anil Sachidanand	- Managing Director and Chief Executive Officer
Navin Agarwal	- Non Executive Director

Transactions with related parties are as enumerated below:

Particulars	As at 31 March 2018	As at 31 March 2017
Transaction during the year		
Reimbursement of expenses by the Company		
Motilal Oswal Securities Limited		
- Sundry expenses	14,032,614	9,165,711
- Rent	69,470,100	44,645,220
Motilal Oswal Financial Services Limited		
- Electricity expense	-	236,184
Employee compensation expense by the Company		
Motilal Oswal Financial Services Limited	1,235,031	-
Employee compensation expense recovery by the Company		
Motilal Oswal Securities Limited	3,935,745	-
Motilal Oswal Financial Services Limited	115,179	-
Loan taken		
Motilal Oswal Securities Limited	27,500,000	-
Loan repaid		
Motilal Oswal Securities Limited	27,500,000	-
Loan repayment received		
Anil Sachidanand	716,121	688,087

NOTES TO FINANCIAL STATEMENT *(Contd..)*

for the year ended 31 March 2018



(Currency : ₹)

Particulars	As at 31 March 2018	As at 31 March 2017
Arranger fees paid		
Motilal Oswal Wealth Management Limited	–	12,156,000
Remuneration paid including accrual for compensated absences *		
Anil Sachidanand	32,902,270	26,614,074
Interest received		
Anil Sachidanand	438,119	465,833
Customer referral fees received		
Motilal Oswal Securities Limited	–	2,500,000

*The above figures do not include provision for gratuity to the managing director. Gratuity is actuarially determined for the Company as a whole and separate figure for the managing director is not available.

26 Related parties

(B) Key managerial personnel (Continued)

Transactions with related parties are as enumerated below: (Continued)

Particulars	As at 31 March 2018	As at 31 March 2017
Subscription of equity shares including premium		
Motilal Oswal Securities Limited	300,000,018	1,645,839,067
Motilal Oswal Financial Services Limited	349,999,991	280,000,339
Motilal Oswal Investment Advisors Limited	349,999,991	–
Motilal Oswal Wealth Management Limited	500,000,000	–
Anil Sachidanand	–	17,115,000
Navin Agarwal	–	74,165,000
Closing balance		
Security Deposit		
Motilal Oswal Securities Limited	34,735,050	34,735,050
Balance payable		
Motilal Oswal Securities Limited	32,743,209	94,699,880
Motilal Oswal Financial Services Limited	371,997	494,052
Motilal Oswal Wealth Management Limited	–	12,474,000
Balance Receivable		
Motilal Oswal Securities Limited	2,525,721	2,612,500
Motilal Oswal Financial Services Limited	65,627	–
Anil Sachidanand	10,554,719	11,270,840

NOTES TO FINANCIAL STATEMENT (Contd..)

for the year ended 31 March 2018



(Currency : ₹)

27 Earnings per share

In accordance with Accounting Standard 20 on Earnings per share, the computation of earnings per share is set out below:

Particulars	As at 31 March 2018	As at 31 March 2017
Profit available for equity share holders	314,855,330	820,892,803
Weighted average number of equity shares	4,948,054,217	4,296,369,036
Basic earnings per share (₹)	0.06	0.19
Profit available for equity share holders	314,855,330	820,892,803
Weighted average number of shares for basic earning per share	4,948,054,217	4,296,369,036
Dilutive effect of outstanding stock options	26,586,514	11,274,966
Weighted average number of shares for diluted earning per share	4,974,640,731	4,307,644,002
Diluted earnings per share (₹)	0.06	0.19

28 Auditor's remuneration:

Particulars	As at 31 March 2018	As at 31 March 2017
As auditor		
Statutory audit	2,050,000	2,000,000
Limited review of quarterly results	1,050,000	1,050,000
	3,100,000	3,050,000
For certification work	477,200	456,320
Out of pocket expenses	56,560	77,284
Service tax / GST*	486,636	693,684
Total	4,120,396	4,277,288

*Amount includes Service tax / Goods and service tax for which CENVAT credit availed.

29 Contingent liabilities and commitments

a. Contingent liabilities: NIL

b. Commitments:

Particulars	As at 31 March 2018	As at 31 March 2017
Commitments not provided for :		
- Commitments related to loans sanction but undrawn	804,980,363	2,643,618,485
- Commitments related to loans sanction but partially undrawn	2,012,955,344	2,608,056,331
Total	2,817,935,707	5,251,674,816

NOTES TO FINANCIAL STATEMENT (Contd..)

for the year ended 31 March 2018



(Currency : ₹)

30 Disclosure pursuant to Accounting Standard 15 (Revised) - Employee Benefits

A) Defined contribution plan :

Particulars	As at 31 March 2018	As at 31 March 2017
Employer's contribution to provident fund	21,008,072	11,197,346
Employer's contribution to ESIC	6,036,536	2,218,149
Employer's contribution to National Pension Scheme	139,895	–
Total	27,184,503	13,415,495

B) Defined benefit plan :

The details of the Company's post-retirement benefit plans for its employees including whole time directors are given below which is as certified by the actuary and relied upon by the auditors.

Principal actuarial assumptions at the balance sheet date

Particulars	As at 31 March 2018	As at 31 March 2017
Interest / Discount Rate	6.85%	6.69%
Rate of increase in compensation	13.13%	13.00%
Employee attrition rate (Past Service) (PS)	PS: 0 to 37 : 15.65%	PS: 0 to 37 : 10.73%
Expected average remaining service	5.23	7.53

Changes in the present value of the defined benefit obligation are as follows:

Particulars	As at 31 March 2018	As at 31 March 2017
Present value of obligation at the beginning of the year	12,758,761	3,202,246
Current service cost	14,593,619	3,607,538
Past service cost	710,975	–
Interest cost	853,561	239,848
Benefit paid	–	–
Curtailement cost	–	–
Settlement cost	–	–
Net actuarial gain or loss recognized in the year	(13,821,009)	5,709,129
Present value of obligation at the end of the year	15,095,907	12,758,761

Fair value of plan assets

Particulars	As at 31 March 2018	As at 31 March 2017
Present value of obligation at the beginning of the year	–	–
Actual return on plan assets	–	–
Contributions	–	–
Benefit paid	–	–
Fair value of plan assets at end of period	–	–
Funded status (including unrecognized past service cost)	(15,095,907)	(12,758,761)
Excess of actual over estimated return of plan assets	–	–

Note - The Company does not have any plan assets as at 31 March 2018 (31 March 2017: ₹ Nil)

NOTES TO FINANCIAL STATEMENT (Contd.)

for the year ended 31 March 2018



(Currency : ₹)

Experience history

Particulars	As at 31 March 2018	As at 31 March 2017
(Gain)/loss on obligation due to change in assumption	(4,846,002)	3,696,669
Experience (gain)/loss on obligation	(8,975,007)	2,012,460
Actuarial gain/(loss) on plan assets	-	-

Amounts to be recognized in the balance sheet

Particulars	As at 31 March 2018	As at 31 March 2017
Present value of obligation at the end of the year	15,095,907	12,758,761
Fair value of plan assets at end of period	-	-
Funded status	(15,095,907)	(12,758,761)
Unrecognized actuarial gain/(loss)	-	-
Unrecognized Past Service Cost - non vested benefits	331,358	-
Net assets/(liability) recognized in balance sheet	(14,764,549)	(12,758,761)

Expense recognized in the statement of profit and loss account

Particulars	As at 31 March 2018	As at 31 March 2017
Current service cost	14,593,619	3,607,538
Interest cost	853,561	239,848
Past service cost (non vested benefits)	662,717	-
Past service cost (vested benefits)	48,258	-
Unrecognized past service cost - non vested benefits	(331,358)	-
Expected return on plan assets	-	-
Net actuarial gain / (loss) recognized for the period	(13,821,009)	5,709,129
Expense recognized in the statement of profit and loss account	2,005,788	9,556,515

Movements in the liability recognized in balance sheet

Particulars	As at 31 March 2018	As at 31 March 2017
Opening net liability	12,758,761	3,202,246
Expenses recognized	2,005,788	9,556,515
Employer's contributions	-	-
Closing net liability	14,764,549	12,758,761
Closing provisions at the end of the year	14,764,549	12,758,761
Current Liability	406,007	401,027
Non-Current Liability	14,358,542	12,357,734

Defined benefit plans

Particulars	As at 31 March 2018	As at 31 March 2017
Defined benefit obligation	14,764,549	12,758,761
Plan assets	(14,764,549)	(12,758,761)
Experience adjustments :		
On plan liabilities	(13,821,009)	5,709,129
On plan assets	-	-

NOTES TO FINANCIAL STATEMENT *(Contd..)*

for the year ended 31 March 2018



(Currency : ₹)

31 Provision in respect of standard, sub-standard, doubtful and loss assets are recorded in accordance with Companies policy as stated in note 2.7 :

Particulars	Housing Loans	Non-Housing Loans
Current Year		
Standard Asset		
Principle outstanding	46,558,459,644	3,162,989
Provisions	186,233,839	12,652
Sub-standard assets		
Principle outstanding	1,718,870,382	–
Provisions	408,486,062	–
Doubtful asset		
Principle outstanding	514,651,339	–
Provisions	181,563,884	–
Total		
Principle outstanding	48,791,981,365	3,162,989
Provisions	776,283,784	12,652
Less:		
Total		
EMI Debtor/Pre EMI interest	162,471,506	–
Provision on the above	7,670,445	–
Net balance		
Principle outstanding	48,629,509,859	3,162,989
Provisions	768,613,339	12,652
Previous Year		
Standard Asset		
Principle outstanding	41,206,342,856	877,550
Provisions	164,830,055	3,510
Sub-standard assets		
Principle outstanding	164,107,188	–
Provisions	24,616,078	–
Doubtful asset		
Principle outstanding	76,209,329	–
Provisions	22,311,467	–
Total		
Principle outstanding	41,446,659,373	877,550
Provisions	211,757,600	3,510
Less:		
Total		
EMI Debtor / Pre EMI interest	(27,474,539)	–
Provision on the above	(114,582)	–

NOTES TO FINANCIAL STATEMENT (Contd.)

for the year ended 31 March 2018



(Currency : ₹)

Particulars	Housing Loans	Non-Housing Loans
Net balance		
Principle outstanding	41,419,184,834	877,550
Provisions	211,643,018	3,510
Investments		
Current Year		
Standard Assets		
Principle outstanding	-	-
Provisions	-	-
Previous Year		
Principle outstanding		
Total outstanding	-	-
Provisions	-	-

32 Disclosure pursuant to circular no. NHB CND/DRS/Pol circular 61/2013-14 dated 7 April 2014 issued by NHB.

Statutory reserve

Particulars	As at 31 March 2018	As at 31 March 2017
Balance at the beginning of the year		
a) Statutory reserve (As per Section 29C of The National Housing Bank Act, 1987)	69,634,252	-
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987	178,890,731	84,346,422
Addition / appropriation / withdrawals during the year		
Add:		
a) Amount transferred as per Section 29C of The National Housing Bank Act, 1987.	-	69,634,252
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987	128,542,247	94,544,309
Less:		
a) Amount appropriate as per Section 29C of The National Housing Bank Act, 1987.	-	-
b) Amount of withdrawn from special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987.	-	-
Balance at the end of the year		
a) Statutory reserve (As per Section 29C of The National Housing Bank Act, 1987)	69,634,252	69,634,252
b) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken in to account for the purpose of statutory reserve under Section 29C of the NHB Act, 1987.	307,432,978	178,890,731
Total	377,067,230	248,524,983

33 Disclosure relating to Employee stock option scheme

The Company has two stock option schemes:

Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2014 - (ESOS - 2014) - Grant I

The Scheme was approved by Board of Directors on 11 September 2014 and by the shareholders in EGM dated 16 October 2014 for issue of 27,150,000 options representing 27,150,000 Equity shares of Re. 1 each, and same was granted by the nomination and remuneration committee at its meeting held on 13 April 2015.

Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2014 (ESOS - 2014) - Grant II

The Scheme was approved by Board of Directors on 11 September 2014 and by the shareholders in EGM dated 16 October 2014 for issue of 2,050,000 options representing 2,050,000 Equity shares of Re. 1 each and same was granted by the nomination and remuneration committee at its meeting held on 23 September 2015.

Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2016 (ESOS-2016) - Grant I

The Scheme was approved by Board of Directors on 29 April 2016 and by the shareholders in AGM dated 07 July 2016 for issue of 36,200,000 options representing 36,200,000 Equity shares of Re. 1 each and same was granted by the nomination and remuneration committee at its meeting held on 27 December 2016.

Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2016 (ESOS-2016) - Grant II

The Scheme was approved by Board of Directors on 29 April 2016 and by the shareholders in AGM dated 07 July 2016 for issue of 1,000,000 options representing 1,000,000 Equity shares of Re. 1 each same was granted by the nomination and remuneration committee through its circular resolution dated 17 February 2017.

Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2016 (ESOS-2016) - Grant III

The Scheme was approved by Board of Directors on 29 April 2016 and by the shareholders in AGM dated 7 July 2016 for issue of 1,550,000 options representing 1,550,000 Equity shares of Re. 1 each same was granted by the nomination and remuneration committee through its circular resolution dated 25 April 2017.

Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2016 (ESOS-2017) - Grant I

The Scheme was approved by Board of Directors on 25 April 2017 and by the shareholders in EGM dated 25 May 2017 for issue of 7,385,000 options representing 7,385,000 Equity shares of Re. 1 each same was granted by the nomination and remuneration committee through its circular resolution dated 23 June 2017.

Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2016 (ESOS-2017) - Grant II

The Scheme was approved by Board of Directors on 25 April 2017 and by the shareholders in EGM dated 25 May 2017 for issue of 1,050,000 options representing 1,050,000 Equity shares of Re. 1 each same was granted by the nomination and remuneration committee through its circular resolution dated 22 January 2018.

Aspire Home Finance Corporation Limited - Employees' Stock Option Scheme 2016 (ESOS-2017) - Grant H-I (Issued to Holding Company and Group 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 29,390,000 options representing 29,390,000 Equity shares of Re. 1 each same was granted by the nomination and remuneration committee through its circular resolution dated 23 June 2017.

NOTES TO FINANCIAL STATEMENT (Contd.)

for the year ended 31 March 2018



(Currency : ₹)

The activity in the (ESOS 2014), (ESOS 2016) (ESOS 2017) during the year ended 31 March 2018 and 31 March 2017 is set below:

Equity Shares	As at 31 March 2018 In Numbers	Weighted Average Exercise price	As at 31 March 2017 In Numbers	Weighted Average Exercise price
The AHFCL (ESOS 2014) - Grant I : (Face value of Re. 1 each) *				
Option outstanding at the beginning of the year.	27,150,000	1.00	27,150,000	1.00
Add: Granted	-	-	-	-
Less: Exercised	15,900,000	1.00	-	-
Less: Lapsed	-	-	-	-
Option outstanding, end of the year	11,250,000	1.00	27,150,000	1.00
Exercisable at the end of the year	150,000	-	8,145,000	-
The AHFCL (ESOS 2014) - Grant II : (Face value of Re. 1 each) *				
Option outstanding at the beginning of the year.	2,050,000	1.00	2,050,000	1.00
Add: Granted	-	-	-	-
Less: Exercised	930,000	-	-	-
Less: Lapsed	-	-	-	-
Option outstanding, end of the year	1,120,000	1.00	2,050,000	1.00
Exercisable at the end of the year	300,000	-	615,000	-
The AHFCL (ESOS 2016) - Grant I : (Face value of Re. 1 each) *				
Option outstanding at the beginning of the year.	36,200,000	1.60	-	-
Add: Granted	-	-	36,200,000	1.60
Less: Exercised	-	-	-	-
Less: Lapsed	-	-	-	-
Option outstanding, end of the year	36,200,000	1.60	36,200,000	1.60
Exercisable at the end of the year	-	-	-	-
The AHFCL (ESOS 2016) - Grant II : (Face value of Re. 1 each) *				
Option outstanding at the beginning of the year.	1,000,000	1.60	-	-
Add: Granted	-	-	1,000,000	1.60
Less: Exercised	-	-	-	-
Less: Lapsed	-	-	-	-
Option outstanding, end of the year	1,000,000	1.60	1,000,000	1.60
Exercisable at the end of the year	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd.)

for the year ended 31 March 2018



(Currency : ₹)

Equity Shares	As at 31 March 2018 In Numbers	Weighted Average Exercise price	As at 31 March 2017 In Numbers	Weighted Average Exercise price
The AHFCL (ESOS 2016) - Grant III : (Face value of Re. 1 each) *				
Option outstanding at the beginning of the year.	-	-	-	-
Add: Granted	1,550,000	1.60	-	-
Less: Exercised	-	-	-	-
Less: Lapsed	-	-	-	-
Option outstanding, end of the year	1,550,000	1.60	-	-
Exercisable at the end of the year	-	-	-	-
The AHFCL (ESOS 2017) - Grant I : (Face value of Re. 1 each) *				
Option outstanding at the beginning of the year.	-	-	-	-
Add: Granted	7,385,000	1.60	-	-
Less: Exercised	-	-	-	-
Less: Lapsed	-	-	-	-
Option outstanding, end of the year	7,385,000	1.60	-	-
Exercisable at the end of the year	-	-	-	-
The AHFCL (ESOS 2017) - Grant II : (Face value of Re. 1 each) *				
Option outstanding at the beginning of the year.	-	-	-	-
Add: Granted	1,050,000	5.80	-	-
Less: Exercised	-	-	-	-
Less: Lapsed	-	-	-	-
Option outstanding, end of the year	1,050,000	5.80	-	-
Exercisable at the end of the year	-	-	-	-
The AHFCL (ESOS 2017) - Grant H-I : (Face value of Re. 1 each) *				
Option outstanding at the beginning of the year.	-	-	-	-
Add: Granted	29,390,000	1.60	-	-
Less: Exercised	-	-	-	-
Less: Lapsed	-	-	-	-
Option outstanding, end of the year	29,390,000	1.60	-	-
Exercisable at the end of the year	-	-	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

for the year ended 31 March 2018



(Currency : ₹)

Employees' Stock Options Scheme (ESOS) :

Effective 1 April 2017, the Company has changed its accounting policy for ESOPs valuation from intrinsic value method to fair value method for more appropriate presentation of financial statement. The change is applied retrospectively, accordingly accumulated expense of ₹ 14,333,271/- has been debited to the Statement of Profit and Loss of the year ended 31 March 2018. Had the Company continued to use the earlier method of accounting profit before tax would have been higher by ₹ 12,713,577/- for the year ended 31st March 2018.

Particulars	ESOS 2014 - Grant I	ESOS 2014 - Grant II	ESOS 2016 - Grant I	ESOS 2016 - Grant II	ESOS 2016 - Grant III	ESOS 2017 - Grant I	ESOS 2017 - Grant II	ESOS 2017 - Grant H-I
Date of grant	13 April 2015	23 September 2015	27 December 2016	17 February 2017	25 April 2017	23 June 2017	22 January 2018	23 June 2017
Date of board approval	11 September 2014	11 September 2014	29 April 2016	29 April 2016	29 April 2016	25 April 2017	25 April 2017	25 April 2017
Date of shareholders' approval	16 October 2014	16 October 2014	07 July 2016	07 July 2016	07 July 2016	25 May 2017	25 May 2017	25 May 2017
Number of options granted	27,150,000	2,050,000	36,200,000	1,000,000	1,550,000	7,385,000	1,050,000	29,390,000
Method of settlement	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares	Equity shares
Vesting period	30 April 2016, 30 April 2017, 30 April 2019 *	30 September 2016 30 September 2017, 30 September 2019*	01 January 2019*, 01 January 2020*, 01 January 2021*, 01 January 2022*	01 March 2019, 01 March 2020, 01 March 2021, 01 March 2022.	01 March 2019, 01 March 2020, 01 March 2021, 01 March 2022.	01 July 2019, 01 July 2020, 01 July 2021, 01 July 2022	01 January 2020, 01 January 2021, 01 January 2022, 01 January 2023	01 July 2018, 01 July 2019, 01 July 2020, 01 July 2021, 01 July 2022
Vesting pattern	30:30:40	30:30:40	10:20:30:40	10:20:30:40	10:20:30:40	10:20:30:40	10:20:30:40	10:17:25:32:15
Weighted average remaining contractual life								
Granted but not vested	1.08 year (PY 0.66 years)	1.50 years (PY 1.08 years)	2.76 years (PY 3.26 Years)	2.92 years (PY 3.42 years)	3.09 years (PY NA)	3.26 years (PY NA)	3.76 years (PY NA)	2.51 years (PY NA)
Vested but not exercised	-0.92 year (PY 0.08 year)	-0.50 year (PY 0.50 Year)	NA (PY NA)	NA (PY NA)	NA (PY NA)	NA (PY NA)	NA (PY NA)	NA (PY NA)
Weighted average share price at the date of exercise for stock options exercised during the year *	Re. 1.00	Re. 1.00	NA (PY NA)	NA (PY NA)	NA (PY NA)	NA (PY NA)	NA (PY NA)	NA (PY NA)
Exercise period	Within a period of 6 months from the date of vesting or in case of resignation, the options shall be exercised within 6 months from the date of resignation or such extended period as may be decided by the Nomination and Remuneration Committee.							

NOTES TO FINANCIAL STATEMENT (Contd..)

for the year ended 31 March 2018



(Currency : ₹)

Particulars	ESOS 2014 - Grant I	ESOS 2014 - Grant II	ESOS 2016 - Grant I	ESOS 2016 - Grant II	ESOS 2016 - Grant III	ESOS 2017 - Grant I	ESOS 2017 - Grant II	ESOS 2017 - Grant H-I
Vesting conditions	Vesting of Options would be subject to continued employment with the Company and/or its holdings/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 as on beginning of the current year / grant date	Re. 0.39	Re. 0.36	Re. 0.68	Re. 0.71	Re. 0.75	Re. 0.76	Re. 0.44	Re. 0.70

* The exercise period of the Grant I & II of AHFCL ESOS 2014 and Grant I of ESOS 2016 has been extended from 6 months to 1 year pursuant to the resolution passed by the nomination and remuneration committee at its meeting held on 22 January 2018.

Exercise pricing formula

The exercise pricing formula for AHFCL ESOS 2014, AHFCL ESOS 2016 and AHFCL ESOS 2017 are as under:

The nomination and remuneration committee shall have the authority to determine the exercise price having regard to the valuation report of an independent practicing chartered accountant that may be based on such valuation method, as may be considered suitable by him, including but not restricted to the Net Asset Value Method, Discounted Cash Flow Method, Earnings Capitalisation Method, Dividend Yield Model, etc. and may also rely upon the future projections of the Company which would be prepared by the management from time to time having regard to the future potential and prospects of the Company.

The said committee shall in its absolute discretion, have the authority to grant the options at such discount / premium as it may deem fit.

Fair Value Methodology:

The fair value of options have been estimated on the date of grant using Black-Scholes model as under:

The key assumptions used in Black-Scholes model for calculating fair value under ESOS 2014- Grant I, ESOS 2014-Grant II, ESOS 2016 -Grant I, ESOS 2016- Grant II, ESOS 2016- Grant III, ESOS 2017- Grant I, ESOS 2017- Grant II and ESOS 2017- Grant H-I as on the date of grant viz. April 13, 2015, September 23, 2015, December 27, 2016 February 17, 2017, April 25, 2017, June 23, 2017, January 22, 2018 are as follow :

Particulars	ESOS 2014 - Grant I	ESOS 2014 - Grant II	ESOS 2016 - Grant I	ESOS 2016 - Grant II	ESOS 2016 - Grant III	ESOS 2017 - Grant I	ESOS 2017 - Grant II	ESOS 2017 - Grant H-I
Risk-free interest rate	8.40%	7.72%	6.97%	6.97%	6.79%	6.79%	6.79%	6.79%
Expected volatility of share price *	40%	40%	40%	40%	40%	40%	40%	40%
The weighted average price of equity share as on grant date	Re. 1	Re. 1	₹ 1.60	₹ 1.60	₹ 1.60	₹ 1.60	₹ 5.80	₹ 1.60

* Holding company share price volatility has been considered since shares of AHFCL are not listed.

NOTES TO FINANCIAL STATEMENT (Contd.)

for the year ended 31 March 2018



(Currency : ₹)

34 Operating leases

The Company has taken a car under operating leases. Gross rental expenses charged for the year ended 31 March 2018 aggregated ₹ 316,998/- (PY ₹ 862,984/-) which has been included under the head other expenses - Rent in the Statement of Profit and Loss.

The Company has taken various offices on operating lease for the period which ranges from 12 months to 60 months with an option to renew the lease by mutual consent on mutually agreeable terms. Gross rental expenses charged for the year ended 31 March 2018 aggregated ₹ 111,163,794 /- (PY ₹ 67,767,357/-) which has been included under the head other expenses - Rent in the Statement of Profit and Loss.

Expected future minimum commitments during the non-cancellable period under the lease arrangements are as follows:

Particulars	As at 31 March 2018	As at 31 March 2017
Within one year	2,112,171	1,706,760
Later than one year but not later than five years	3,372,401	605,880
Later than five years	-	-

35 Details of dues to micro, small and medium enterprises

The company has sent letters to suppliers to confirm whether they are covered under Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act, 2006) as well as they have filled required memorandum with prescribed authorities. Out of the letters sent to the parties, some confirmation have been received till date of finalisation of Balance Sheet. Based on the confirmations received, the outstanding amounts payable to vendors covered under Micro, Small and Medium Enterprises Development Act 2006 are given below.

Particulars	As at 31 March 2018	As at 31 March 2017
1. The principal amount remaining unpaid at the end of the year.	5,319,028	5,005,697
2. The interest amount remaining unpaid at the end of the year.	-	-
3. 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	-	-
4. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
5. The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	-	-
6. The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
7. 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 end of the year	5,319,028	5,005,697

NOTES TO FINANCIAL STATEMENT *(Contd..)*

for the year ended 31 March 2018



(Currency : ₹)

36 Disclosure pursuant to circular no. NHB/ND/DRS/POL-No.35/2010-11 dated October 11, 2010 and Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB

I. Capital to Risk Asset Ratio (CRAR)

Particulars	As at 31 March 2018	As at 31 March 2017
CRAR (%)	37.78%	31.37%
CRAR - Tier I Capital (%)	35.52%	28.05%
CRAR - Tier II Capital (%)	2.26%	3.32%
Amount of subordinated debt raised as Tier - II Capital (considered for Tier - II capital - ₹ 3000 lakhs)	500,000,000	500,000,000
Amount raised by issue of perpetual debt Instruments	-	-

II. Exposure to Real estate sector

Particulars	As at 31 March 2018	As at 31 March 2017
Category		
a) Direct exposure		
(i) Residential mortgage:		
Lending fully secured by mortgage on residential property that is or will be occupied by the borrower or that is rented;		
Housing Loan up to ₹ 15 Lacs	35,929,916,908	28,799,268,437
Housing Loan more than ₹ 15 Lacs	12,689,038,233	12,619,916,395
(ii) Commercial real estate:		
Lending secured by mortgages on commercial real estates (office building, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or ware house space, hotels, land acquisitions, development and construction, etc.)	-	-
Exposure would also include non-fund based (NFB) limits;		
(iii) Investment in mortgage backed securities (MBS) and other securitised exposures:		
(a) Residential	-	-
(b) Commercial real estate	-	-
b) Indirect exposure		
Fund based and non fund based exposures on National Housing bank (NHB) and Housing Finance Companies (HFCs)	-	-

NOTES TO FINANCIAL STATEMENT (Contd.)

for the year ended 31 March 2018



(Currency : ₹)

III. Asset liability management

Maturity pattern of certain items of asset and liabilities - As at 31 March 2018

Pattern	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks	51.85	7.69	53.28	69.79	162.65	606.02	438.48	260.36	106.72	61.43	1,818.28
Market Borrowings	-	25.00	90.00	305.00	115.00	1,060.20	100.00	349.70	50.00	-	2,094.90
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances*	19.38	12.71	12.84	39.23	82.15	376.37	443.36	498.42	800.24	2,604.66	4,889.36
Investments	-	-	-	-	-	-	-	-	-	-	-
Foreign Currency Asset	-	-	-	-	-	-	-	-	-	-	-

Maturity pattern of certain items of asset and liabilities - As at 31 March 2017

Pattern	1 day to 30-31 days (one month)	Over one month to 2 months	Over 2 months upto 3 months	Over 3 to 6 months	Over 6 months to 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 to 7 years	Over 7 to 10 years	Over 10 years	Total
Liabilities											
Deposits	-	-	-	-	-	-	-	-	-	-	-
Borrowings from banks	7.27	7.56	27.68	57.47	120.42	500.21	419.19	241.10	140.04	57.97	1,578.90
Market Borrowings	-	100.00	-	-	-	1,295.20	400.00	349.70	50.00	-	2,194.90
Foreign Currency Liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances*	15.79	10.25	10.37	31.73	66.52	300.94	344.90	361.50	595.22	2,404.70	4,141.92
Investments	279.83	-	-	-	-	-	-	-	-	-	279.83

* Advances does not include personal loan given to employees.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

for the year ended 31 March 2018



(Currency : ₹)

37 Disclosure pursuant to Notification No. NHB.HFC.DIR.1/CMD/2010 dated June 10, 2010 issued by NHB

I Penalty

Particulars	As at 31 March 2018	As at 31 March 2017
Penalty if any levied by National Housing Bank	-	-
Total	-	-

II Adverse remarks

Particulars	As at 31 March 2018	As at 31 March 2017
Adverse remarks if any given by National Housing Bank	-	-

III % of outstanding loans granted against collateral gold jewellery to their outstanding total assets.

Particulars	As at 31 March 2018	As at 31 March 2017
Percentage of outstanding loans granted against the collateral gold jewellery to their outstanding total assets	-	-

38 Disclosure Pursuant to Notification No. 244/ 2017 dated March 30, 2017 issued by Central Government for Specified Bank Notes

Current year:

The disclosures in the financial statement regarding holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018.

Previous year:

The details of the Specified Bank Notes (SBN) held and transacted during the period 08/11/2016 to 30/12/2016 are as below (as per MCA Notification G.S.R. 307 (E) dated 30th March 2017 :

Particulars	Specified Bank Notes (SBNs)	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	NIL	NIL	NIL
(+) Permitted receipts	NIL	NIL	NIL
(-) Permitted payments	NIL	NIL	NIL
(-) Amount deposited in Banks	NIL	NIL	NIL
Closing cash in hand as on 30.12.2016	NIL	NIL	NIL

*During the period from 8 November 2016 to 30 December 2016, there were 376 borrowers who had directly deposited cash amounting to ₹ 7,913,269 in the Company's collection accounts held with banks.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

for the year ended 31 March 2018



(Currency : ₹)

39 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Investments

Particulars	As at 31 March 2018	As at 31 March 2017
(a) Value of Investments		
(I) Gross value of investments		
(a) In India	–	171,621,194
(a) Outside India	–	–
(II) Provisions for Depreciation		
(a) In India	–	–
(a) Outside India	–	–
(III) Net value of investments		
(a) In India	–	171,621,194
(a) Outside India	–	–
(b) Movements of provisions held towards depreciation in investments		
(I) Opening balance	–	–
(II) Add : Provisions made during the year	–	–
(III) Less : Write-off/ Written- back of excess provisions during the year	–	–
(IV) Closing balance	–	–

40 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Single borrower/ Group borrower limit exceeded by HFC

Particulars	As at 31 March 2018	As at 31 March 2017
Amount outstanding for Single borrower limit	–	–
Amount outstanding for Group borrower limit	–	–

41 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Provisions and Contingencies

Particulars	As at 31 March 2018	As at 31 March 2017
1. Provisions for depreciation on investment	–	–
2. Provisions made towards income tax (net of reversal of tax of earlier year)	331,776,505	397,444,353
3. Provisions towards NPAs	543,122,401	41,110,243
3. Provisions for standard assets	21,412,925	81,404,167
4. Other provision and contingencies		
Gratuity	2,005,788	9,556,515
Compensated absence	(430,586)	7,787,366
Provision for expenses	11,659,834	47,381,180

NOTES TO FINANCIAL STATEMENT *(Contd..)*

for the year ended 31 March 2018



(Currency : ₹)

42 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for concentration of NPAs

Particulars	As at 31 March 2018	As at 31 March 2017
Total Exposure to top ten NPA accounts	24,501,028	24,569,333

43 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for sector wise NPA's Provisions and Contingencies

Particulars	As at 31 March 2018	As at 31 March 2017
A. Housing Loans: (in %) (out of total advances in that sector)		
(I) Individuals	4.52%	0.58%
(II) Builders / Project Loans		
(III) Corporates		
B. Non - Housing Loans: (in %) (out of total advances in that sector)		
(I) Individuals	—	—
(II) Builders / Project Loans		
(III) Corporates		

44 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for movement of NPAs

Particulars	As at 31 March 2018	As at 31 March 2017
(I) Net NPAs to Net Advances (%)	3.32%	0.47%
(II) Movement of Gross NPAs		
(a) Opening Balance	240,316,517	38,824,970
(b) Additions during the year	2,075,986,571	211,447,271
(c) Reduction during the year	117,208,560	9,955,724
(d) Closing balance	2,199,094,528	240,316,517
(III) Movement of Net NPAs		
(a) Opening Balance	193,388,972	33,001,224
(b) Additions during the year	1,519,068,556	168,850,113
(c) Reduction during the year	96,254,677	8,462,365
(d) Closing balance	1,616,202,851	193,388,972
(III) Movement of provisions for NPAs		
(a) Opening Balance	46,927,545	5,823,746
(b) Additions during the year	535,964,132	41,103,799
(c) Write-off / write back of excess provision	—	—
(d) Closing balance	582,891,677	46,927,545

NOTES TO FINANCIAL STATEMENT *(Contd..)*

for the year ended 31 March 2018



(Currency : ₹)

45 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for overseas assets

Particulars	As at 31 March 2018	As at 31 March 2017
Overseas assets	-	-

46 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for customer complaints

Particulars	As at 31 March 2018	As at 31 March 2017
(a) No. of complaints pending at the beginning of the year	1	-
(b) No. of complaints received during the year	33	37
(c) No. of complaints redressed during the year	33	36
(d) No. of complaints pending at the end of the year	1	1

47 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Exposure to Capital Market

Particulars	As at 31 March 2018	As at 31 March 2017
(i) direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources	-	-
(vii) bridge loans to companies against expected equity flows / issues;	-	-
(viii) All exposures to Venture Capital Funds (both registered and unregistered)	-	-
Total Exposure to Capital Market	-	-

NOTES TO FINANCIAL STATEMENT *(Contd..)*

for the year ended 31 March 2018



(Currency : ₹)

48 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Assignment transactions undertaken by HFCs

Particulars	As at 31 March 2018	As at 31 March 2017
No. of accounts	-	-
Aggregate value (net of provision) of accounts assigned	-	-
Aggregate consideration	-	-
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Aggregate gain/loss over net book value	-	-

49 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB

A) Securitisation

Particulars		No. / Amount
(I) No of SPVs sponsored by the HFC for securitisation transactions	-	-
(II) Total amount if securitised assets as per books of the SPVs sponsored	-	-
(III) Total amount of exposure retained by the HFC towards the MRR as on date of balance sheet		
(a) Off-balance sheet exposure towards credit enhancements	-	-
(b) On balance sheet exposures towards credit enhancements	-	-
(IV) Amount of exposures to securitisation transactions other than MRR		
(a) Off-balance sheet exposure towards credit enhancements		
(i) Exposure to own securitisations	-	-
(ii) Exposure to third party securitisations	-	-
(b) On balance sheet exposures towards credit enhancements		
(i) Exposure to own securitisations	-	-
(ii) Exposure to third party securitisations	-	-

B) Details of financial assets sold to securitisation / reconstruction company for asset reconstruction

Particulars	As at 31 March 2018	As at 31 March 2017
(I) No. of accounts	-	-
(II) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(III) Aggregate consideration	-	-
(IV) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(V) Aggregate gain/loss over net book value	-	-

NOTES TO FINANCIAL STATEMENT (Contd.)

for the year ended 31 March 2018



(Currency : ₹)

C) Details of assignment transactions undertaken by HFCs

Particulars	As at 31 March 2018	As at 31 March 2017
(I) No. of accounts	-	-
(II) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
(III) Aggregate consideration	-	-
(IV) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(V) Aggregate gain/loss over net book value	-	-

D) Details of non-performing financial assets purchased / sold

(i) Details of non-performing financial assets purchased:

Particulars	As at 31 March 2018	As at 31 March 2017
(I) No. of accounts purchased during the year	-	-
(II) Aggregate outstanding	-	-
(III) Of these, number of accounts restructured during the year	-	-
(IV) Aggregate outstanding	-	-

(ii) Details of non-performing financial assets purchased:

Particulars	As at 31 March 2018	As at 31 March 2017
(I) No. of accounts sold	-	-
(II) Aggregate outstanding	-	-
(III) Aggregate consideration received	-	-

50 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for registration obtained from other financial regulators

Particulars	As at 31 March 2018	As at 31 March 2017
Registration from other financial regulator if any	-	-

51 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for unsecured advances

Particulars	As at 31 March 2018	As at 31 March 2017
Amount of unsecured advances given against rights, licenses, authorisations etc.	-	-

52 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for details of financing parent company products

Particulars	As at 31 March 2018	As at 31 March 2017
Details of financing of parent company products if any	-	-

NOTES TO FINANCIAL STATEMENT (Contd..)

for the year ended 31 March 2018



(Currency : ₹)

53 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Concentration of Public Deposits

Particulars	As at 31 March 2018	As at 31 March 2017
Total Deposits of twenty largest depositors	–	–
Percentage of Deposits of twenty largest depositors to total deposits of the HFC	–	–

54 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Concentration of Loans & Advances

Particulars	As at 31 March 2018	As at 31 March 2017
Total Loans & Advances to twenty largest borrowers	54,700,430	55,083,816
Percentage of Loans & Advances to twenty largest borrowers to total advances of the HFC	0.11%	0.13%

55 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Concentration of all Exposure (including off-balance sheet exposure)

Particulars	As at 31 March 2018	As at 31 March 2017
Total Exposure to twenty largest borrowers / customers	54,898,964	55,090,591
Percentage of exposure to twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers.	0.11%	0.12%

56 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for Forward rate agreement / Interest rate swap

Particulars	As at 31 March 2018	As at 31 March 2017
(I) The notional principal of swap agreements	–	–
(II) Losses which would be incurred if counterparties failed to fulfill their obligations under the agreements	–	–
(III) Collateral required by the HFC upon entering into swaps	–	–
(IV) Concentration of credit risk arising from the swaps.	–	–
(V) The fair value of the swap book	–	–

57 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB

A) For Exchange traded interest rate derivative

Particulars	As at 31 March 2018	As at 31 March 2017
(I) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument wise)	–	–
(II) Notional principal amount of exchange traded IR derivatives outstanding (Instrument-wise)	–	–

NOTES TO FINANCIAL STATEMENT *(Contd..)*

for the year ended 31 March 2018



(Currency : ₹)

Particulars	As at 31 March 2018	As at 31 March 2017
(III) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-
(IV) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	-	-

B) For Disclosure on Risk exposure in derivative

Particulars	As at 31 March 2018	As at 31 March 2017
(I) Derivatives (Notional Principal Amount)	-	-
(II) Marked to Market Positions (1)		
(a) Assets	-	-
(b) Liability	-	-
(III) Credit exposure	-	-
(IV) Unhedged exposure	-	-

58 Expenditure in foreign currency

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Other borrowing cost - processing fees paid on NCD	-	10,642,700

59 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for rating assigned by rating agency during the year

Nature of borrowing	Rating / Outlook	
	ICRA	CRISIL
Short Term		
Commercial paper	[ICRA]A1+	CRISIL A1+
Long Term		
Non-Convertible Debentures	"[ICRA]AA-" with Negative Outlook	CRISIL A+/Stable
Bank Borrowings	"[ICRA]AA-" with Negative Outlook	CRISIL A+/Stable

Note: ICRA has also assigned "[ICRA]AA-" with Negative Outlook rating for the Sub-ordinate Debt Programme (Non-Convertible Debentures) and "PP-MLD [ICRA]AA-" with Negative Outlook rating for the Market Linked Debenture programme.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

for the year ended 31 March 2018



(Currency : ₹)

60 Disclosure Pursuant to Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017 issued by NHB for break up of loans and advances and provisions thereon

Particulars	Housing Loans	Non-Housing Loans
Current Year		
Standard Asset		
Total outstanding	46,430,415,331	3,162,989
Provisions	185,721,661	12,652
Sub-standard assets		
Total outstanding	1,700,601,176	—
Provisions	405,745,681	—
Doubtful assets - Category I		
Total outstanding	434,392,245	—
Provisions	108,560,711	—
Doubtful assets - Category II		
Total outstanding	64,101,107	—
Provisions	68,585,286	—
Doubtful assets - Category III		
Total outstanding	—	—
Provisions	—	—
Loss assets		
Total outstanding	—	—
Provisions	—	—
Total		
Total outstanding	48,629,509,859	3,162,989
Provisions	768,613,339	12,652

Previous Year

Standard Asset		
Total outstanding	41,212,519,402	877,550
Provisions	164,830,055	3,510
Sub-standard assets		
Total outstanding	164,107,188	—
Provisions	24,616,078	—
Doubtful assets - Category I		
Total outstanding	76,209,329	—
Provisions	22,311,467	—

NOTES TO FINANCIAL STATEMENT *(Contd..)*

for the year ended 31 March 2018



(Currency : ₹)

Particulars	Housing Loans	Non-Housing Loans
Doubtful assets - Category II		
Total outstanding	–	–
Provisions	–	–
Doubtful assets - Category III		
Total outstanding	–	–
Provisions	–	–
Loss assets		
Total outstanding	–	–
Provisions	–	–
Total		
Total outstanding	41,452,835,919	877,550
Provisions	211,757,601	3,510

Note : For above disclosure interest accrued but no due has not been considered.

61 The previous year figures have been regrouped / re-classified, wherever necessary to confirm the current presentation.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
Aspire Home Finance Corporation Limited

Vaibhav Shah
Partner
Membership No: 117377

Motilal Oswal
Chairman
DIN: 00024503

Anil Sachidanand
Managing Director & CEO
DIN: 02698182

Mumbai
21 May 2018

Mumbai
21 May 2018

Kalpesh Ojha
Chief Financial Officer

Motilal Oswal Investment Advisors Limited
(Formerly known as Motilal Oswal Investment Advisors Private Limited)

Financial Statement 2017-2018

INDEPENDENT AUDITORS' REPORT

To the Members of MOTILAL OSWAL INVESTMENT ADVISORS LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENT

We have audited the accompanying financial statement of MOTILAL OSWAL INVESTMENT ADVISORS LIMITED ('the Company'), which comprise the balance sheet as at 31st March 2018, the statement of profit and loss, the statement of cash flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENT

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statement that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

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

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

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

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the financial position of the Company as at 31 March, 2018, its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (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 A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

- (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the balance sheet, the statement of profit and loss, the statement of cash flows are in agreement with the books of account;
- (d) in our opinion, the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
- (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company did not have any long-term contracts including derivative contracts for which any material foreseeable losses on in financial statement;
 - ii. there were no amount which required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iii. the Company has provided requisite disclosures in its financial statement as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company.

For ANEEL LASOD AND ASSOCIATES

Chartered Accountants

Firm Registration No.: 124609W

Aneel Lasod

(Partner)

M.No: 040117

Place: Mumbai

Date: 10th May, 2018

ANNEXURE "A" TO AUDITOR'S REPORT:

Annexure A referred to in our report to the members of MOTILAL OSWAL INVESTMENT ADVISORS LIMITED for the year ended March 31, 2018.

We report that:

1. Fixed Assets:

- a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. The fixed assets were physically verified by the management at reasonable intervals and no discrepancies were noticed with that stated in the books of accounts.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company the title deeds of immovable properties are held in the name of the company.

2. Inventories:

According to the information and explanations given to us, there are no inventories on the balance sheet date; therefore this clause is not applicable.

3. Loans and Advances:

The Company has not granted any secured or unsecured loan to its holding company covered in the register maintained under section 189 of the Companies Act, 2013; therefore this clause is not applicable

4. Compliance of section 185 and 186 of the Companies Act, 2013:

According to the information and explanations given to us; in respect of loans, investments, guarantees and security given by the company are in compliance with the provisions of Section 185 and 186 of the Companies Act, 2013.

5. Deposits from Public:

In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the "public" attracting the provisions of Sections 73 and 76 of the Companies Act 2013 or the rules framed there under

6. Cost Records:

The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for any of the activities conducted/services rendered by the Company. Accordingly Para 3(vii) of the Order is not applicable.

7. Statutory Records:

- a. According to the records of the Company and according to the information and explanations provided to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Professional Tax, and any other statutory dues wherever applicable with the appropriate authorities.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Professional Tax, and any other statutory dues were outstanding as at 31st March, 2018 for a period of more than six months from the date they became payable.
- c. According to the information and explanations given to us, there are no dues of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Professional Tax, SEBI turnover fees and any other statutory dues, which have not been deposited on account of any dispute.

8. Repayment of Dues:

According to the information and explanations given to us, there being no borrowings taken from any financial institution or bank and the company has not issued any debentures; therefore this clause is not applicable.

9. IPO or further public offer:

According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer (IPO) or further public offer (including debt instruments) and; therefore this clause is not applicable.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

10. Fraud:

Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company or by its officers or employees has been noticed or reported during the year.

11. Managerial Remuneration:

According to the information and explanations given to us, the Company has not paid or provided any managerial remuneration; therefore this clause is not applicable.

12. Nidhi Company:

The Company is not regulated by the provisions of Nidhi Company; therefore this clause is not applicable

13. Related Party Transaction:

According to the information and explanations given to us all the transactions with the related parties are in compliance with Section 177 and Section 188 of the Companies Act, 2013 wherever applicable the details have been disclosed in the Financial Statement etc. as required by Accounting Standard (AS) 18 – Related Party Transaction.

14. Private Placement/ Preferential Allotment:

According to the information and explanations given to us the company has not made any Preferential Allotment/private placement of shares or fully or partly convertible debentures during the year; therefore this clause is not applicable.

15. Non cash transactions:

According to the information and explanations given to us the company has not entered into non cash transactions with directors or persons connected with him as covered under section 192 of the Companies Act, 2013; therefore this clause is not applicable.

16. Registration with Reserve Bank of India:

The Company is not a Non-Banking Financial Company therefore the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934; therefore this clause is not applicable.

For **ANEEL LASOD AND ASSOCIATES**

Chartered Accountants

Firm Registration No.: 124609W

Aneel Lasod

(Partner)

M.No: 040117

Place: Mumbai

Date: 10th May, 2018

ANNEXURE-B

The MEMBERS of MOTILAL OSWAL INVESTMENT ADVISORS LIMITED

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF COMPANIES ACT, 2013 ("THE ACT"):

We have audited the internal financial controls over financial reporting of MOTILAL OSWAL INVESTMENT ADVISORS LIMITED ("the Company") as of 31st March 2018 in conjunction with our audit of the standalone financial statement of the company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR THE INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance notes on Audit of internal financial controls over financial reporting and Standards, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material 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 judgment including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error.

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 system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROL OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparations of financial statement for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting include those policies and procedures that (1) pertain to the maintenance of record that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company; (2) provide reasonable assurance that transaction are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that

receipts and expenditure of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statement.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatement due to error or fraud may occur and not to be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that

INDEPENDENT AUDITORS' REPORT *(Contd..)*

the internal financial control over financial reporting may become inadequate because of changes in conditions , or that the degree of compliance with the policies or procedures may deteriorate .

OPINION

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **ANEEL LASOD AND ASSOCIATES**

Chartered Accountants

Firm Registration No.: 124609W

Aneel Lasod

(Partner)

M.No: 040117

Place: Mumbai

Date: 10th May, 2018

BALANCE SHEET

BALANCE SHEET AS AT 31ST MARCH, 2018

	Note No.	As at 31-Mar-18 (in ₹)	As at 31-Mar-17 (in ₹)
I. EQUITY AND LIABILITIES			
Share Holders' Funds :			
Share Capital	1	1,00,00,000	1,00,00,000
Reserves and Surplus	2	1,01,93,28,126	41,58,14,556
Non-Current Liabilities:			
Long-term Provision	3	33,71,049	28,50,602
Current Liabilities:			
Short-term Borrowings	4	3,10,00,000	75,00,000
Trade Payables	5	92,35,254	5,17,38,677
Other Current Liabilities	6	1,18,93,570	3,97,52,143
Short-term Provisions	7	12,24,96,278	15,85,80,299
TOTAL		1,20,73,24,277	68,62,36,277
II. ASSETS			
Non- Current Assets			
Fixed Assets:			
Property Plant & Equipments	8	14,13,023	9,85,306
Intangible Assets		10,810	16,891
Non-Current Investments	9	1,13,04,90,894	20,84,87,706
Deferred Tax Asset (Net)	10	58,15,173	51,67,901
Long Term Loans and Advances	11	1,81,06,907	3,55,94,910
Current Assets			
Trade Receivables	12	3,63,36,147	41,60,85,555
Cash and bank balances	13	1,22,21,184	65,48,565
Short Term Loans and Advances	14	29,30,139	1,33,49,443
TOTAL		1,20,73,24,277	68,62,36,277

Notes referred above form an integral part of the financial statement

As per our attached report of even date

For Aneel Lasod and Associates

Chartered Accountants

Firm Registration No. 124609W

Aneel Lasod

Partner

M No: 40117

Place : Mumbai

Date : 10th May, 2018

For and on behalf of the Board of

Motilal Oswal Investment Advisors Limited

Motilal Oswal

Director

DIN No: 00024503

Raamdeo Agarawal

Director

DIN No: 00024533

STATEMENT OF PROFIT AND LOSS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

	Note No.	For the Year Ended 31-Mar-18 (in ₹)	For the Year Ended 31-Mar-17 (in ₹)
REVENUE			
Revenue from operations	15	1,10,54,56,681	85,52,46,413
Other Income	16	2,94,95,641	1,70,91,759
Total Revenue		11,3,49,52,322	87,23,38,172
EXPENSES			
Employee benefit Expenses	17	19,63,13,356	19,29,66,777
Finance Cost	17	22,02,063	5,40,594
Depreciation and Amortization	8	5,53,033	58,59,239
Other Expenses	17	9,11,82,740	11,86,12,147
Total Expenses		29,02,51,192	31,79,78,757
Profit Before Taxation		84,47,01,130	55,43,59,415
Less: Tax Expenses			
Current tax		24,14,78,322	15,19,12,424
Deferred tax		(6,47,272)	3,54,34,837
For previous year(s) income tax		3,56,510	(49,62,691)
Total Tax Expense		24,11,87,560	18,23,84,570
Profit for the period		60,35,13,570	37,19,74,845
Earnings per share (₹) (Face value per share ₹ 10/-)			
Basic		603.51	371.97
Diluted		603.51	371.97

Notes referred above form an integral part of the financial statement

As per our attached report of even date

For Aneel Lasod and Associates
Chartered Accountants

Firm Registration No. 124609W

Aneel Lasod

Partner

M No: 40117

Place : Mumbai

Date : 10th May, 2018

For and on behalf of the Board of

Motilal Oswal Investment Advisors Limited

Motilal Oswal

Director

DIN No: 00024503

Raamdeo Agarawal

Director

DIN No: 00024533

CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

	For the Year Ended 31-Mar-18 (in ₹)	For the Year Ended 31-Mar-17 (in ₹)
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT/ (LOSS) BEFORE TAX	84,47,01,130	55,43,59,414
Add:-		
1) Depreciation	5,53,033	58,59,239
2) Bad debts w/off / Provision for bad debt		2,42,32,516
3) Interest Expense	22,02,063	5,40,594
4) Gratuity	13,93,861	49,44,169
Less:-		
1) Interest Income	(92,95,027)	(956)
2) Profit on Investments	(1,86,44,009)	(88,56,749)
OPERATING PROFIT	82,09,11,051	58,10,78,228
Adjustment For:		
1) Increase/(Decrease) In Long-term Provision	5,20,447	(86,47,688)
2) Increase/(Decrease) in Short-term Provision	(3,60,84,022)	8,42,76,260
3) Increase/(Decrease) in Trade payable	(4,25,03,423)	5,23,54,557
4) Increase/(Decrease) in Other Current Liabilities	(2,92,52,434)	2,46,420
5) Increase/(Decrease) in short term borrowing	2,35,00,000	(1,99,11,963)
6) (Increase)/Decrease in Trade Receivables	37,97,49,408	(40,03,17,375)
7) (Increase)/Decrease in Short Term Loans & Advances	1,04,19,304	(1,19,52,379)
8) (Increase)/Decrease in Long Term Loans & Advances	1,74,88,003	19,11,317
CASH GENERATED FROM OPERATION	1,14,47,48,334	27,90,37,378
Taxes Paid	(24,18,34,833)	(1,21,59,374)
NET CASH GENERATED FROM OPERATING ACTIVITIES	90,29,13,501	26,68,78,003
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(9,74,668)	(2,87,189)
Sale of investment	2,66,40,816	1,63,95,656
Purchase of Investment	(92,99,99,995)	(18,75,00,000)
Interest Received	92,95,027	956
NET CASH FLOW FROM INVESTING ACTIVITIES	(89,50,38,820)	(17,13,90,577)

CASH FLOW STATEMENT *(Contd..)*

	For the Year Ended 31-Mar-18 (in ₹)	For the Year Ended 31-Mar-17 (in ₹)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) In Share capital	–	(8,90,00,000)
Interest Paid	(22,02,063)	(17,39,226)
NET CASH GENERATED/(USED) FROM FINANCING ACTIVITIES	(22,02,063)	(9,07,39,226)
NET CASH GENERATED/(USED)FOR THE YEAR ENDED	56,72,618	47,48,200
Cash & Cash Equivalents as at beginning of period :		
Cash as at beginning of period	2,02,803	8,460
Scheduled Banks- In Current Accounts	63,45,762	17,91,905
Cash & Cash Equivalents as at beginning of year	65,48,565	18,00,365
Cash & Cash Equivalents as at end of period :		
Cash as at end of period	13,600	2,02,803
Scheduled Banks- In Current Accounts	1,22,07,584	63,45,762
Cash & Cash Equivalents as at end of year	1,22,21,184	65,48,565

As per our attached report of even date

For Aneel Lasod and Associates

Chartered Accountants

Firm Registration No. 124609W

Aneel Lasod

Partner

M No: 40117

Place : Mumbai

Date : 10th May, 2018

For and on behalf of the Board of

Motilal Oswal Investment Advisors Limited

Motilal Oswal

Director

DIN No: 00024503

Raamdeo Agarawal

Director

DIN No: 00024533

NOTES TO FINANCIAL STATEMENT

NOTE 1 : SHARE CAPITAL

Particulars	As at 31-Mar-18		As at 31-Mar-17	
	in Numbers	in ₹	in Numbers	in ₹
Authorised				
Equity Shares, of ₹ 10/- par value	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Preference Shares of ₹ 10/- par value	90,00,000	9,00,00,000	90,00,000	9,00,00,000
TOTAL	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
Issued, Subscribed & Paid Up				
Equity Shares of ₹ 10/- each fully paid up	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Preference Shares of ₹ 10/- each fully paid up	—	—	—	—
TOTAL	10,00,000	1,00,00,000	10,00,000	1,00,00,000

1.1 Rights, preferences and restrictions attached to shares

1.1.1 Equity Shares :

The Company has issued one class of shares referred to as equity shares having a par value of ₹ 10 /- each. Each holder of equity shares is entitled to one vote per share.

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

1.1.2 Preference Shares :

The Company has one class of preference shares having a par value of ₹ 10 /- each and during previous year the Company has redeemed 89,00,000 preference shares of ₹ 10/- each.

1.2 Reconciliation of the number of Equity shares outstanding

Particulars	As at 31-Mar-18		As at 31-Mar-17	
	in Numbers	in ₹	in Numbers	in ₹
Share at beginning of the year	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Share at end of the year	10,00,000	1,00,00,000	10,00,000	1,00,00,000

1.3 Reconciliation of the number of Preference shares outstanding

Particulars	As at 31-Mar-18		As at 31-Mar-17	
	in Numbers	in ₹	in Numbers	in ₹
Share at beginning of the year	—	—	89,00,000	8,90,00,000
Shares redeemed during the year	—	—	(89,00,000)	(8,90,00,000)
Share at end of the year	—	—	—	—

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

Share Holders	As at 31-Mar-18		As at 31-Mar-17	
	No of Shares	% of Holding	No of Shares	% of Holding
Motilal Oswal Financial Services Ltd.	10,00,000	100	10,00,000	100

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 2 : RESERVES AND SURPLUS

Particulars	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
General Reserve		
Opening balance	5,23,44,267	6,63,44,267
Less: Transfer to Capital Redemption Reserve	–	(1,40,00,000)
Balance as at end of the year	5,23,44,267	5,23,44,267
Capital Redemption Reserve		
Opening balance	17,90,00,000	9,00,00,000
Add: Transfer from General Reserve	–	1,40,00,000
Transfer from Profit and loss	–	7,50,00,000
Balance as at end of the year	17,90,00,000	17,90,00,000
Surplus		
Opening balance	18,44,70,290	(11,25,04,555)
Add: Profit of Current year	60,35,13,570	37,19,74,845
Less: Transfer to Capital Redemption Reserve	–	(7,50,00,000)
Balance as at end of the year	78,79,83,860	18,44,70,290
TOTAL	1,01,93,28,126	41,58,14,556

NOTE 3 : LONG TERM PROVISION

Particulars	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
Provision for employee benefits		
Provision for Gratuity and other Long term benefits (also refer note 23)	33,71,049	28,50,602
TOTAL	33,71,049	28,50,602

NOTE 4 : SHORT TERM BORROWINGS

Particulars	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
Loan from Related Party (Unsecured, Considered good)		
From Holding Company (Motilal Oswal Financial Services Ltd.)	3,10,00,000	75,00,000
TOTAL	3,10,00,000	75,00,000

NOTE 5 : TRADE PAYABLES

Particulars	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
Trade Payables	92,35,254	5,17,38,677
TOTAL	92,35,254	5,17,38,677

NOTES TO FINANCIAL STATEMENT (Contd..)

NOTE 6 : OTHER CURRENT LIABILITIES

Particulars	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
For Other Liabilities:		
Salary, bonus and other benefits	2,83,127	2,53,919
Withholding and other Taxes Payable	14,83,473	3,56,89,912
Other Payables (includes payable to vendor)	98,64,685	38,06,324
Interest Accrued and due	2,62,285	1,988
TOTAL	1,18,93,570	3,97,52,143

NOTE 7 : SHORT-TERM PROVISIONS

Particulars	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
Provision for taxes	2,18,82,315	6,23,51,907
Provision for employee benefits		
For Gratuity and other short term benefits (also refer note 23)	14,16,057	2,30,364
Ex-Gratia	9,74,00,000	9,49,00,000
Other provisions (includes provision for expenses)	17,97,906	10,98,028
TOTAL	12,24,96,278	15,85,80,299

NOTE 8 : PROPERTY PLANT & EQUIPMENTS

Current Year

(in ₹)

PARTICULARS	Gross Block			ACCUMULATED DEPRECIATION				Net Block		
	As at 1-4-17	Additions	Deductions	As at 31-3-18	As at 1-4-17	Additions	Deductions	As at 31-3-18	As at 31-3-18	As at 31-3-17
TANGIBLE ASSETS										
Renovation to Leased Office Premises	36,88,404	-	-	36,88,404	35,03,984	-	-	35,03,984	1,84,420	1,84,420
Lease Hold Improvement	1,76,42,662	-	-	1,76,42,662	1,76,42,619	-	-	1,76,42,619	43	43
Furniture	48,42,927	-	-	48,42,927	46,04,120	37,297	-	46,41,417	2,01,510	2,38,807
Electrical Equipment	4,39,097	-	-	4,39,097	3,69,944	11,575	-	3,81,519	57,578	69,153
Air Conditioner	44,000	-	-	44,000	1,899	10,899	-	12,797	31,203	42,101
Mobile	2,99,513	1,13,560	-	4,13,073	2,84,537	12,796	-	2,97,333	1,15,740	14,976
Office Equipments	4,50,942	-	-	4,50,942	3,36,112	63,796	-	3,99,908	51,034	1,14,830
Projector	1,00,829	-	-	1,00,829	95,788	-	-	95,788	5,041	5,041
Computer	32,94,810	8,61,108	-	41,55,918	29,78,875	4,10,590	-	33,89,465	7,66,453	3,15,935
TOTAL (A)	3,08,03,184	9,74,668	-	3,17,77,852	2,98,17,878	5,46,952	-	3,03,64,830	14,13,023	9,85,306
INTANGIBLE ASSETS										
Computer Software	1,78,038	-	-	1,78,038	1,61,150	6,081	-	1,67,231	10,810	16,891
TOTAL (B)	1,78,038	-	-	1,78,038	1,61,150	6,081	-	1,67,231	10,810	16,891
TOTAL (A+B)	3,09,81,222	9,74,668	-	3,19,55,890	2,99,79,028	5,53,033	-	3,05,32,061	14,23,832	10,02,197

NOTES TO FINANCIAL STATEMENT (Contd..)

Previous Year

(in ₹)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 1-4-16	Additions	Deductions	As at 31-3-17	As at 1-4-16	Additions	Deductions	As at 31-3-17	As at 31-3-17	As at 31-3-16
TANGIBLE ASSETS										
Renovation To Leased Office Premises	36,88,404	-	-	36,88,404	12,36,346	22,67,638	-	35,03,984	1,84,420	24,52,058
Lease Hold Improvement	1,76,42,662	-	-	1,76,42,662	1,46,04,183	30,38,436	-	1,76,42,619	43	30,38,479
Furniture	48,42,927	-	-	48,42,927	43,82,208	2,21,912	-	46,04,120	2,38,807	4,60,719
Electrical Equipment	4,39,097	-	-	4,39,097	3,45,319	24,625	-	3,69,944	69,153	93,778
Air Conditioner	-	44,000	-	44,000	-	1,899	-	1,899	42,101	-
Mobile	2,99,513	-	-	2,99,513	2,84,537	-	-	2,84,537	14,976	14,976
Office Equipments	3,63,378	87,564	-	4,50,942	2,69,189	66,923	-	3,36,112	1,14,830	94,189
Projector	1,00,829	-	-	1,00,829	95,788	-	-	95,788	5,041	5,041
Computer	31,39,185	1,55,625	-	32,94,810	27,50,122	2,28,753	-	29,78,875	3,15,935	3,89,066
TOTAL (A)	3,05,15,995	2,87,189	-	3,08,03,184	2,39,67,691	58,50,186	-	2,98,17,878	9,85,306	65,48,307
INTANGIBLE ASSETS										
Computer Software	1,78,038	-	-	1,78,038	1,52,097	9,053	-	1,61,150	16,891	25,941
TOTAL (B)	1,78,038	-	-	1,78,038	1,52,097	9,053	-	1,61,150	16,891	25,941
TOTAL (A+B)	3,06,94,033	2,87,189	-	3,09,81,222	2,41,19,788	58,59,239	-	2,99,79,028	10,02,197	65,74,248

NOTE 9 : NON-CURRENT INVESTMENTS (At Cost, Unless Otherwise Stated)

Particulars	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
Investment in Private Equity Funds (Unquoted)		
Reliance Alternative Investments Fund - Private Equity Scheme I 583,470.32 units of ₹ 10 each, ₹ 10 paid up, (Previous Year 7,30,968.15 units of ₹ 10 each, ₹ 10 Paid up)	61,71,544	1,08,57,743
Aditya Birla Private Equity - Fund I 150 units of ₹ 95.76, ₹ 95.76 paid up (Previous Year 67,213 units of ₹ 95.76, ₹ 95.76 paid up, face value of ₹ 100 each)	68,19,345	1,01,29,953
Investment in Mutual Fund (Unquoted)		
Motilal Oswal Most Focused Multicap 35 Fund - Direct Growth 29476599.280 Units Of ₹ 27.3251 (Previous Year - 86,74,566.868 Units Of ₹ 23.4327)	76,75,00,000	18,75,00,000
Investment in Equity Shares (Unquoted)		
Investment in Aspire (Unquoted) (6,03,44,836 shares of Face value of ₹ 1) (Previous year 10 shares of face value ₹ 1)	35,00,00,005	10
TOTAL	1,13,04,90,894	20,84,87,706

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 10 : DEFERRED TAX ASSET (NET)

Particulars	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
Deferred tax asset		
Written Down Value of Fixed Assets	44,21,168	42,79,350
Gratuity provision	13,94,005	8,88,551
TOTAL	58,15,173	51,67,901

NOTE 11 : LONG TERM LOANS AND ADVANCES

Particulars	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
Unsecured, considered good		
Rent deposits	55,53,373	55,53,373
Prepaid Expenses	41,533	92,484
Advance Tax and TDS	1,25,12,001	2,99,49,053
TOTAL	1,81,06,907	3,55,94,910

NOTE 12 : TRADE RECEIVABLES

Particulars	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
Unsecured, Considered Good		
Debts outstanding for a period exceeding Six months	1,80,000	—
Other debts for a period Less then Six months	3,61,56,147	41,60,85,555
TOTAL	3,63,36,147	41,60,85,555

NOTE 13 : CASH AND CASH EQUIVALENTS

Particulars	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
Cash and Cash Equivalents		
Cash in Hand	13,600	2,02,803
Balance with Bank		
Scheduled Banks- In Current Accounts	1,22,07,584	63,45,762
TOTAL	1,22,21,184	65,48,565

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 14 : SHORT TERM LOANS & ADVANCES

Particulars	As at 31-Mar-18 in ₹	As at 31-Mar-17 in ₹
Unsecured, considered good		
Other Loans & Advances		
Advances for supply for services	–	71,288
Prepaid Expenses	6,18,421	15,51,036
Loans and Advances to employees	–	1,14,14,975
Others	7,22,367	3,12,144
Tax Credit receivable	15,89,351	–
TOTAL	29,30,139	1,33,49,443

NOTE 15 : INCOME FROM OPERATIONS

Particulars	For the Year Ended 31-Mar-18 (in ₹)	For the Year Ended 31-Mar-17 (in ₹)
Sale of Services (Advisory Fees)	1,09,64,71,922	84,08,16,892
Other Operating Revenue	89,84,759	1,44,29,521
TOTAL	1,10,54,56,681	85,52,46,413

NOTE 16 : OTHER INCOME

Particulars	For the Year Ended 31-Mar-18 (in ₹)	For the Year Ended 31-Mar-17 (in ₹)
Profit on Sale of Investments	1,86,44,009	88,56,749
Interest Income	92,95,027	956
Other Non Operating Revenue	–	5,34,367
Interest on Income tax refund	15,56,605	76,99,687
TOTAL	2,94,95,641	1,70,91,759

NOTE 17 : EXPENSES

Particulars	For the Year Ended 31-Mar-18 (in ₹)	For the Year Ended 31-Mar-17 (in ₹)
EMPLOYEE BENEFIT		
Salary, Bonus and Allowances	17,13,23,127	18,07,04,235
Contribution to provident & other Funds	19,42,184	19,91,299
Staff Welfare Expenses	59,17,247	53,27,074
Employee Stock option Scheme	1,57,36,937	–
Gratuity (refer note 23)	13,93,861	49,44,169
TOTAL	19,63,13,356	19,29,66,777

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Particulars	For the Year Ended 31-Mar-18 (in ₹)	For the Year Ended 31-Mar-17 (in ₹)
FINANCE COST		
Interest Cost	22,02,063	5,40,594
TOTAL	22,02,063	5,40,594
OTHER EXPENSES		
Advisory/Referral expenses	31,38,398	5,21,28,888
Brokerage Paid	3,46,19,942	20,44,331
Rent	1,11,06,744	1,34,15,551
Insurance	4,24,192	6,78,692
Remuneration to Auditors (Refer Note 20)	1,27,625	1,68,715
Membership & Subscription	29,49,133	22,01,337
Marketing & Brand Promotion Expenses	8,17,565	11,44,172
Power & Fuel	13,09,623	19,00,710
Communication Expenses	22,48,783	21,18,295
Travelling Expenses & Conveyance	2,09,06,295	82,70,494
Entertainment Expenses	21,24,437	27,40,062
Legal & Professional Charges	38,91,612	44,59,453
Bad debts w/off (Net of provision for doubtful debts)	(15,673)	2,42,32,516
Printing & Stationery	8,18,739	6,43,836
Rates & Taxes	1,07,828	10,987
Computer Maintenance	71,890	17,611
Foreign Exchange Fluctuation	9,074	-
Donation	38,68,090	-
Miscellaneous Expenses	26,58,443	24,36,498
TOTAL	9,11,82,740	11,86,12,147

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED MARCH, 31 2018:

NOTE 18 : NATURE OF BUSINESS

The company is a merchant banker and an investment banker. As an investment banking company Motilal Oswal Investment Advisors Limited is engaged in capital raising, Domestic IPOs, Private Equity placements, M & A Advisory, Corporate Finance Advisory, Restructuring and FCCBs and GDRs. The company is providing its various services at both international and domestic frontier

NOTE 19 : SIGNIFICANT ACCOUNTING POLICIES

19.1 Basis of Preparation of Financial Statement:

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

All assets and liabilities have been classified as current or noncurrent as per the company's normal operating cycle and other criteria set out in the schedule III to the Companies Act 2013. Based on the nature of business the company has ascertained its operating cycle as twelve months for the purpose of current and non - current classification of assets and liabilities.

19.2 Use of Estimates:

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

19.3 Property, Plant & Equipments & Depreciation

Properties, Plant & Equipments are stated at cost less accumulated depreciation thereon. The cost of property, plant & equipments comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

Depreciation

The Company provides pro-rata depreciation from the date on which asset is acquired/ put to use. In respect of assets sold, pro-rata depreciation is provided up to the date on which the asset is sold. Depreciation is based on the cost of an asset less its residual value as notified in Schedule II to the Companies Act, 2013. In pursuant of Schedule II of the Companies Act 2013, the property, plant & equipments of the significant value are componentized with separate useful life. In case of addition, depreciation is provided pro-rata for entire month in which addition is made and in case of deletions, depreciation is provided till month preceding month of disposal of such assets. On all assets, except as mentioned below, depreciation has been provided based on Written Down Value method using the useful life as specified in Schedule II to the Companies Act, 2013.

Improvements to leasehold premises are depreciated over the initial period of lease on Straight Line Basis.

19.4 Intangible Assets and Amortization:

Expenses incurred on Computer Software having enduring benefits are capitalized and amortized on Straight Line Method (SLM) basis over a period of five years.

19.5 Investments:

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

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

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

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

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

19.6 Revenue Recognition :

- a) Advisory fees from Investment Banking activities and fees for other services are accounted on percentage completion method based on its reasonable certainty of its ultimate collection", net of GST.
- b) Interest income is recognised on accrual basis.
- c) Dividend income is recognised when the right to receive payment is established.
- d) In respect of other heads of income, the Company accounts the same on accrual basis.

19.7 Foreign Currency Transactions:

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

19.8 Employee Benefits:

Short-term employment benefits

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

Post-employment benefits

Provident Fund:

Contribution payable to the recognised provident fund, which is a defined contribution scheme, is charged to the profit and loss account in the period in which it occurs.

Gratuity:

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 and less the fair value of plan assets, together with the adjustments for unrecognized actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognized immediately in the statement of profit and loss.

Compensated Absences:

As per the policy of the company, an employee can carry forward maximum maximum 10 days of leave to next financial year. No leave is allowed to be encashed. An obligation arises as employees render service that increases their entitlement to future compensated absences. Provision is made for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

Bonus / Ex-gratia Plans:

The company recognizes the costs of bonus payments when it has a present obligation to make such payments as a result of past events and the reliable estimate of the obligation can be made.

Employees Stock Option Expenses:

The Employees Stock Options Scheme ("the Scheme") has been established by the company. The Scheme provides that employees are granted an option to subscribe to equity share of the company that vest on the satisfaction of vesting conditions. The options may be exercised within specified period. Measurement and disclosure of Employee Share-based Payment Plan is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by The Institute of Chartered Accountants of India. The company follows the fair value method to account for its stock based employee compensation plans.

19.9 Taxation:

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

Current Tax: Provision for current tax is made on the basis of estimated taxable income for the accounting year in accordance with the Income Tax Act, 1961.

Deferred Taxation: The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the asset can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realized.

The carrying amounts of deferred tax asset are reviewed at each reporting date. The company writes down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Minimum Alternate Tax

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

19.10 Provisions and Contingencies:

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

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

19.11 Impairment of Assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

NOTE 20 : AUDITOR'S REMUNERATION

	31-Mar-18 in ₹	31-Mar-17 in ₹
Audit Fees	75,000	30,000
Interim Review	50,000	30,000
Other Services	2,625	1,08,715
TOTAL	1,27,625	1,68,715

NOTE 21 : BASIC & DILUTED EARNINGS PER SHARE

	31-Mar-18 in ₹	31-Mar-17 in ₹
Net Profit attributable to equity shareholders [A]	60,35,13,570	37,19,74,845
Number of weighted average equity shares issued [B]	10,00,000	10,00,000
Basic Earnings per share (EPS) –[A/B] (₹)	603.51	371.97
Weighted Number of equity shares outstanding for Diluted EPS [C]	10,00,000	10,00,000
Diluted Earnings per share (DEPS) [A/C] (₹)	603.51	371.97

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 22 : RELATED PARTY:

(i) Relationships during the year

Holding Company

- Motilal Oswal Financial Services Limited

Ultimate Holding Company

- Passionate Investment Management Private Limited

Fellow subsidiaries

- Motilal Oswal Capital Markets Private Limited
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Fincap Private Limited (formerly known as Motilal Oswal Insurance Broker Private Limited)
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Asset Management Company Limited
- MOPE Investment Advisors Private Limited
- Motilal Oswal Securities Limited
- Motilal Oswal Wealth Management Limited
- Motilal Oswal Securities International Private Limited
- Motilal Oswal Capital Market (Hongkong) Private Limited
- Motilal Oswal Capital Market (Singapore) Pte Limited
- Aspire Home Finance Corporation Limited
- Motilal Oswal Real Estate Investment Advisors Private Limited
- Motilal Oswal Real Estate Investment Advisors II Private Limited
- India Business Excellence Management Company
- Motilal Oswal Asset Management (Mauritius) Pvt. Ltd.
- Nagori Agro & Cattle Feeds Private Limited
- Motilal Oswal Capital Limited

Key management personnel

- Motilal Oswal - Director
- Raamdeo Agarawal - Director

Enterprises in which key management personnel exercise significant Influence

- Motilal Oswal Foundation
- VISU Associates - Partnership firm
- OSAG Enterprises LLP

(ii) The transactions were entered into with the above related parties during the year in the ordinary course of business have been provided in the Annexure below:-

Transaction	Name of the related Party	Holding Company		Fellow Subsidiaries		Total	
		2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017
Advisory Fees (Income)	Motilal Oswal Financial Services Limited	–	(4,21,044)	–	–	–	(4,21,044)
	Motilal Oswal Securities Limited	–	–	–	–	–	–
Referral Fee Expense	Motilal Oswal Wealth Management Limited	–	–	–	23,66,456	–	23,66,456
Brokerage Expense	Motilal Oswal Securities Limited	–	–	3,46,19,942	20,44,331	3,46,19,942	20,44,331
Interest Expense	Motilal Oswal Financial Services Limited	12,40,078	4,41,419	–	–	12,40,078	4,41,419
Interest (Income)	Motilal Oswal Financial Services Limited	(92,38,272)	–	–	–	(92,38,272)	–

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Transaction	Name of the related Party	Holding Company		Fellow Subsidiaries		Total	
		2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017
Rent Expense	Motilal Oswal Financial Services Limited	1,11,06,744	1,14,34,567	-	-	1,11,06,744	1,14,34,567
	Motilal Oswal Securities Limited	-	-	-	19,80,984	-	19,80,984
Repayment received of rent deposit	Motilal Oswal Financial Services Limited	-	16,07,597	-	-	-	16,07,597
Reimbursement of Expenses	Motilal Oswal Financial Services Limited	57,36,937	8,93,097	-	-	57,36,937	8,93,097
	Motilal Oswal Securities Limited	-	-	22,43,513	20,37,957	22,43,513	20,37,957
Loans (Taken)	Motilal Oswal Financial Services Limited	(1,41,15,00,000)	(11,03,87,414)	-	-	(1,41,15,00,000)	(11,03,87,414)
Loans Repaid	Motilal Oswal Financial Services Limited	1,38,80,00,000	13,22,79,541	-	-	1,38,80,00,000	13,22,79,541
Loans (Maximum balance)	Motilal Oswal Financial Services Limited	(1,1,55,00,000)	(3,88,62,631)	-	-	(11,55,00,000)	(3,88,62,631)
Outstanding Balances:							
Loans Given / (Taken)	Motilal Oswal Financial Services Limited	(3,10,00,000)	(75,00,000)	-	-	(3,10,00,000)	(75,00,000)
Sundry (payables) / receivables	Motilal Oswal Financial Services Limited	(6,300)	50,000	-	-	(6,300)	50,000
	Motilal Oswal Securities Limited	-	-	(98,78,149)	(23,11,253)	(98,78,149)	(23,11,253)
Other (payables)	Motilal Oswal Financial Services Limited	(2,62,285)	(1,988)	-	-	(2,62,285)	(1,988)
Rent Deposit (Received) / Given	Motilal Oswal Financial Services Limited	55,53,373	55,53,373	-	-	55,53,373	55,53,373
Investments	Aspire Home Finance Corporation Ltd	-	-	35,00,00,005	10.13	35,00,00,005	10.13
ESOP (payables) / receivables	Motilal Oswal Financial Services Limited	(36,58,219)	-	-	-	(36,58,219)	-

Notes: Income/Liability figure are shown in brackets.

NOTE 23 : GRATUITY

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

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

	Gratuity benefits		Other long term benefits	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
I Assumptions as at	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.	-	-
Interest / Discount Rate	6.85%	7.49%	-	-
Rate of increase in compensation	6.39%	6.00%	-	-
Rate of return (expected) on plan assets	-	-	-	-
Employee Attrition Rate (Past Service (PS))	PS: 0 to 37 : 36.96	PS: 0 to 37 : 12.41	-	-
Expected average remaining service	1.7	6.24	-	-
II Changes in present value of obligations				
PVO at beginning of period	30,80,966	76,99,523	-	-
Interest cost	1,91,707	2,18,570	-	-
Current Service Cost	10,90,586	13,21,468	7,43,047	-
Past Service Cost- (non vested benefits)	1,88,895	-	-	-
Past Service Cost -(vested benefits)	5,52,854	-	-	-
Benefits Paid	(4,30,768)	(95,62,726)	-	-
Actuarial (Gain)/Loss on obligation	(6,30,180)	34,04,131	-	-
PVO at end of period	40,44,059	30,80,966	7,43,047	-
III Changes in fair value of plan assets				
Fair Value of Plan Assets at beginning of period	-	-	-	-
Expected Return on Plan Assets	-	-	-	-

NOTES TO FINANCIAL STATEMENT *(Contd..)*

	Gratuity benefits		Other long term benefits				
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17			
Contributions	4,30,768	95,62,726	-	-			
Benefit Paid	(4,30,768)	(95,62,726)	-	-			
Actuarial Gain/(Loss) on plan assets	-	-	-	-			
Fair Value of Plan Assets at end of period	-	-	-	-			
IV Fair Value of Plan Assets							
Fair Value of Plan Assets at beginning of period	-	-	-	-			
Actual Return on Plan Assets	-	-	-	-			
Contributions	4,30,768	95,62,726	-	-			
Benefit Paid	(4,30,768)	(95,62,726)	-	-			
Fair Value of Plan Assets at end of period	-	-	-	-			
Funded Status (including unrecognised past service cost)	(40,44,059)	(30,80,966)	(7,43,047)				
Excess of actual over estimated return on Plan Assets	-	-	-	-			
V Experience History	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	-	-
(Gain)/Loss on obligation due to change in Assumption	(7,83,176)	(30,321)	(6,33,093)	(72,109)	(1,91,243)	-	-
Experience (Gain)/ Loss on obligation	1,52,995	34,34,452	(12,39,862)	9,383	(15,53,515)	-	-
Actuarial Gain/(Loss) on plan assets		-	-	-	-	-	-
VI Actuarial Gain/(Loss) Recognized							
Actuarial Gain/(Loss) for the period (Obligation)				6,30,181	(34,04,131)	-	-
Actuarial Gain/(Loss) for the period (Plan Assets)				-	-	-	-
Total Gain/(Loss) for the period				6,30,181	(34,04,131)	-	-
Actuarial Gain/(Loss) recognized for the period				6,30,181	(34,04,131)	-	-
Unrecognized Actuarial Gain/(Loss) at end of period				-	-	-	-
VII Past Service Cost Recognised							
Past Service Cost- (non vested benefits)				1,88,895	-	-	-
Past Service Cost -(vested benefits)				5,52,854	-	-	-
Average remaining future service till vesting of the benefit				1	-	-	-
Recognised Past service Cost- non vested benefits				1,88,895	-	-	-
Recognised Past service Cost- vested benefits				5,52,854	-	-	-
Unrecognised Past Service Cost- non vested benefits				-	-	-	-
VIII Amounts to be recognized in the balance sheet and statement of profit & loss account							
PVO at end of period				40,44,059	30,80,966	7,43,047	
Fair Value of Plan Assets at end of period				-	-	-	-
Funded Status				(40,44,059)	(30,80,966)	(7,43,047)	
Unrecognized Actuarial Gain/(Loss)				-	-	-	-

NOTES TO FINANCIAL STATEMENT *(Contd..)*

	Gratuity benefits		Other long term benefits	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Unrecognised Past Service Cost- non vested benefits	-	-	-	-
Net Asset/(Liability) recognized in the balance sheet	(40,44,059)	(30,80,966)	(7,43,047)	
IX Expense recognized in the statement of P & LAIC				
Current Service Cost	10,90,586	13,21,468	7,43,047	
Interest cost	1,91,707	2,18,570	-	-
Past Service Cost- (non vested benefits)	1,88,895	-	-	-
past Service Cost "(vested benefits)	5,52,854	-	-	-
Unrecognised Past Service Cost- non vested benefits	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Net Actuarial (Gain)/Loss recognized for the period	(6,30,181)	34,04,131	-	-
Expense recognized in the statement of P&L AIC	13,93,861	49,44,169	7,43,047	
X Movements in the Liability recognized in Balance Sheet				
Opening Net Liability	30,80,966	76,99,523	-	-
Expenses as above	13,93,861	49,44,169	7,43,047	
Contribution paid	(4,30,768)	(95,62,726)	-	-
Closing Net Liability	40,44,059	30,80,966	7,43,047	
XI Revised Schedule III				
Current Liability	12,33,429	2,30,364	-	-
Non-Current Liability	28,10,630	28,50,602	7,43,047	

NOTE 24 : ACTIVITY IN FOREIGN CURRENCY

	31-Mar-18 in ₹	31-Mar-17 in ₹
Earnings in foreign currency		
Income from Advisory	10,02,86,539	-
Interest received from banks and others		
TOTAL	10,02,86,539	-
Expenditure in foreign currency		
Overseas travel expenses	5,54,377	-
Professional charges	1,30,000	-
Membership and subscription Charges	14,66,251	19,20,481
TOTAL	21,50,628	19,20,481

NOTE 25 : FOREIGN EXCHANGE GAIN/ LOSS:

Foreign exchange gain/loss comprises of the difference in exchange rate on the date of booking & date of realization. In respect of monetary items on the Balance sheet date the foreign exchange Loss/(gain) arising thereon of ₹ 9,074.00 (P.Y 194.00) has been debited/ credited to profit and loss account and shown under Other expenses.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 26 : Provisions made for the Year ended 31st March, 2018 comprises of:

	Opening balance	Provided during the year ended 31st March, 2018	Paid /reversed during the year ended 31st March, 2018	Closing balance as of 31st March, 2018
Ex-gratia (Bonus)	9,49,00,000	9,74,36,852	9,49,36,852	9,74,00,000
Gratuity	30,80,966	13,93,861	4,30,768	40,44,059
Other Long term benefits	0	7,43,047	0	7,43,047

Provisions made for the Year ended 31st March, 2017 comprises of:

	Opening balance	Provided during the year ended 31st March, 2017	Provision Paid /reversed during the year ended 31st March, 2017	Closing balance as of 31st March, 2017
Ex-gratia (Bonus)	81,00,000	9,57,75,400	89,75,400	9,49,00,000
Gratuity	76,99,523	49,44,169	95,62,726	30,80,966

NOTE 27 : CAPITAL COMMITMENTS:

The Company has given a capital commitment of ₹ 1,50,00,000 to Aditya Birla Private Equity Fund . In respect of this, the Company has contributed an amount of ₹ 1,50,00,000/- (Previous year ₹ 1,50,00,000/-) and during the year also received a capital refund of ₹ 33,10,608 (Previous year ₹ 33,96,650) and balance commitment of ₹ Nil/- (Previous year ₹ Nil) is outstanding as on 31st March, 2018.

The Company has given a capital commitment of ₹ 150,00,000 to Reliance alternative investment fund private equity scheme I and during the year also received a capital refund of ₹ 46,86,199 (Previous year ₹ 41,42,257) and balance commitment of ₹ Nil/- (Previous year ₹ Nil) is outstanding as on 31st March 2018.

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) is ₹ 82,700/- (Previous Year : ₹ 4,08,350/-).

NOTE 28 : CONTINGENT LIABILITIES:

Demand in respect of Income Tax matters for which appeal is pending is Nil (P. Y. Nil).

NOTE : 29 DUES TO MICRO AND SMALL ENTERPRISES

There is no amount outstanding for more than thirty days to any small scale industrial undertaking as at the Balance Sheet date. There are no Micro, Small and Medium Enterprises to whom the Company owes the dues, which are outstanding for more than forty five days as at the Balance Sheet date. The Micro, Small and Medium Enterprises have been identified on the basis of information provided by the vendors to the Company.

NOTE 30 : SEGMENT INFORMATION

Since the Company is engaged in Multi segment i.e. Investment Banking and Fund Based activities, hence there separate reportable segment as required under Accounting Standard – 17.

Particulars	31-Mar-18		31-Mar-17	
	Investment Banking	Fund based	Investment Banking	Fund based
REVENUE:				
External Revenue	1,12,41,00,690		86,46,37,528	
Inter-Segment Revenue				
Unallocated	1,08,51,632		77,00,644	
	1,13,49,52,323		87,23,38,172	

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Particulars	31-Mar-18		31-Mar-17	
	Investment Banking	Fund based	Investment Banking	Fund based
RESULT:				
Segment Result	83,61,79,186		54,73,68,080	
Unallocated Expenses	23,29,688		7,09,309	
Income Tax	24,11,87,561		18,23,84,570	
Profit from Ordinary Activities	60,35,13,570		37,19,74,845	
Extra-Ordinary Items	—		—	
Net Profit	60,35,13,570		37,19,74,845	
OTHER INFORMATION:				
Segment Assets	42,14,90,137	76,75,00,000	46,36,19,324	18,75,00,000
Segment Liabilities	12,47,39,699		19,04,89,723	
Capital Expenditure	9,74,668		2,87,189	
Depreciation	5,53,033		58,59,239	
Non-cash expenses other than depreciation	—	—	—	—

Effective 1 April 2017, the Company has changed its accounting policy for ESOPs valuation from intrinsic value method to fair value method for more appropriate presentation of financial statement. The change is applied retrospectively, accordingly accumulated expense of ₹ 1,57,36,937/- has been debited to the Statement of profit and loss of the year ended 31 March 2018. Had the Company continued to use the earlier method of accounting profit before tax would have been higher by ₹ 1,57,36,967/- for the year ended 31st March 2018.

NOTE 31 :

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

As per our attached report of even date

For Aneel Lasod and Associates

Chartered Accountants

Firm Registration No. 124609W

Aneel Lasod

Partner

M No: 40117

Place : Mumbai

Date : 10th May, 2018

For and on behalf of the Board of

Motilal Oswal Investment Advisors Limited

Motilal Oswal

Director

DIN No: 00024503

Raamdeo Agarawal

Director

DIN No: 00024533

Motilal Oswal Fincap Private Limited
(Formerly known as Motilal Oswal Insurance Brokers Private Limited)

Financial Statement 2017-2018

INDEPENDENT AUDITORS' REPORT

To the Members of **MOTILAL OSWAL INSURANCE BROKERS PRIVATE LIMITED.**

REPORT ON THE STANDALONE FINANCIAL STATEMENT

We have audited the accompanying financial statement of MOTILAL OSWAL INSURANCE BROKERS PRIVATE LIMITED ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss, the statement of cash flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENT

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

AUDITOR'S RESPONSIBILITY

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

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

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

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

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the financial position of the Company as at 31 March, 2018, its loss and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

- (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the balance sheet, the statement of profit and loss, the statement of cash flows are in agreement with the books of account;
- (d) in our opinion, the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
- (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company did not have any long-term contracts including derivative contracts for which any material Foreseeable losses on in financial statement;
 - ii. therewere no amount which required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iii. the Company has provided requisite disclosures in its financial statement as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company.

For **Aneel Lasod And Associates**
Chartered Accountants
Firm Registration No.: 124609W

Aneel Lasod
(Partner)
M.No.: -040117

Place: Mumbai
Date: 21st May, 2018.

ANNEXURE "A" TO AUDITOR'S REPORT:

Annexure referred to in our report to the members of **MOTILAL OSWAL INSURANCE BROKERS PRIVATE LIMITED** for the year ended March 31, 2018. We report that:

1. Fixed Assets:

- a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. The fixed assets were physically verified by the management at reasonable intervals and no discrepancies were noticed with that stated in the books of accounts.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the company.

2. Inventories:

According to the information and explanations given to us, there are no inventories on the balance sheet date; therefore this clause is not applicable.

3. Loans and Advances:

The Company has not granted any secured or unsecured loan to its holding company covered in the register maintained under section 189 of the Companies Act, 2013; therefore this clause is not applicable.

4. Compliance of section 185 and 186 of the Companies Act, 2013:

According to the information and explanations given to us; in respect of loans, investments, guarantees and security given by the company are in compliance with the provisions of Section 185 and 186 of the Companies Act, 2013.

5. Deposits from Public:

In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the "public" attracting the provisions of Sections 73 and 76 of the Companies Act, 2013 or the rules framed there under.

6. Cost Records:

The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 for any of the activities conducted/services rendered by the Company. Accordingly Para 3(vii) of the Order is not applicable.

7. Statutory Records:

- a. According to the records of the Company and according to the information and explanations provided to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Service Tax, Professional Tax, and any other statutory dues wherever applicable with the appropriate authorities.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Service Tax, Professional Tax, and any other statutory dues were outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable.
- c. According to the information and explanations given to us, there are no dues of Provident Fund, Employees State Insurance, Income Tax, Wealth Tax, Service Tax, Professional Tax, SEBI turnover fees and any other statutory dues, which have not been deposited on account of any dispute.

8. Repayment of Dues:

According to the information and explanations given to us, there being no borrowings taken from any financial institution or bank and the company has not issued any debentures; therefore this clause is not applicable.

9. IPO or further public offer:

According to the information and explanations given to us, the Company has not raised moneys by way of initial public offer (IPO) or further public offer (including debt instruments); therefore this clause is not applicable.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

10. Fraud:

Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company or by its officers or employees has been noticed or reported during the year.

11. Managerial Remuneration:

According to the information and explanations given to us, the Company has not paid or provided any managerial remuneration; therefore this clause is not applicable.

12. Nidhi Company:

The Company is not regulated by the provisions of Nidhi Company; therefore this clause is not applicable

13. Related Party Transaction:

According to the information and explanations given to us all the transactions with the related parties are in compliance with sections 177 and 188 of Companies of the Companies Act, 2013 wherever applicable the details have been disclosed in the Financial Statement etc as required by Accounting Standard (AS) 18 – Related Party Transaction.

14. Private Placement/ Preferential Allotment:

According to the information and explanations given to us the company has not made any Preferential Allotment/private placement of shares or fully or partly convertible debentures during the year; therefore this clause is not applicable.

15. Non cash transactions:

According to the information and explanations given to us the company has not entered into non cash transactions with directors or persons connected with him as covered under section 192 of the Companies Act, 2013; therefore this clause is not applicable.

16. Registration with Reserve Bank of India:

The Company is not a Non-Banking Financial Company therefore the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934; therefore this clause is not applicable.

The company has surrender its License from IRDA (Regn No. IRDA/DB439/09 date of Regn August 20, 2013) on 5th April, 2017 and IRDA has approved the application on 13th April 2018.

For **Aneel Lasod And Associates**

Chartered Accountants

Firm Registration No.:- 124609W

Aneel Lasod

(Partner)

M.No.:-040117

Place: Mumbai

Date: 21st May, 2018.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

The Members of **MOTILAL OSWAL FINCAP PRIVATE LIMITED**

Report on the Internal Financial Controls over financial reporting under clause (i) of Sub-section 3 of section 143 of Companies Act, 2013 ("the Act"):

We have audited the internal financial controls over financial reporting of MOTILAL OSWAL FINCAP PRIVATE LIMITED ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone financial statement of the company for the year ended on that date.

Management's Responsibility for the Internal Financial Controls:

The Company's management is responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the guidance notes on Audit of Internal Financial

Controls over Financial Reporting issued by The Institute of Chartered Accountants of India (ICAI). These responsibility include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies ,the safeguarding of its assets, the prevention and detection of frauds and errors ,the accuracy and completeness of the accounting records ,and the timely preparation of financial information , as required under the Companies Act, 2013.

Auditor's Responsibility:

Our responsibility is to express an opinion on these Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance notes on Audit of internal financial controls over financial reporting and Standards on Auditing to the extent applicable to an audit of internal financial controls, both issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material 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 judgment including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error.

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 system over financial reporting.

Meaning of Internal Financial Control Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparations of financial statement for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting include those policies and procedures that (1) pertain to the maintenance of record that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the company; (2) provide reasonable assurance that transaction are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statement.

Inherent Limitations of Internal Financial Controls Over Financial Reporting;

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

INDEPENDENT AUDITORS' REPORT *(Contd..)*

Opinion:

In our opinion, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Aneel Lasod And Associates**
Chartered Accountants
Firm Registration No.:- 124609W

Aneel Lasod
(Partner)
M.No.:-040117

Place: Mumbai
Date: 21st May, 2018.

BALANCE SHEET

BALANCE SHEET AS AT 31 MARCH, 2018

	Note No.	As at 31-Mar-2018 (In ₹)	As at 31-Mar-2017 (In ₹)
I. EQUITY & LIABILITIES			
Share Holder's Funds :			
Share Capital	1	3,00,00,000	3,00,00,000
Reserve & Surplus	2	(1,76,53,841)	(1,02,09,719)
Non Current Liabilities			
Long term provisions	3	1,03,911	1,22,867
Current Liabilities			
Short term borrowings	4	1,14,38,387	23,65,056
Other current liabilities	5	4,08,590	3,63,142
Short term provisions	6	13,15,888	14,37,475
TOTAL		2,56,12,935	2,40,78,821
II. ASSETS			
Non Current Assets			
(i) Tangible assets	7	42,806	83,543
(ii) Intangible assets			
Deferred tax assets (net)	8	66,731	47,488
Long term loans & advances	9	50,45,721	49,76,546
Other non current assets	10	86,07,262	80,60,097
Current Assets			
Trade receivables	11	13,073	31,790
Cash & cash equivalents	12	1,08,79,374	1,03,99,904
Short term loans & advances	13	9,45,675	4,79,452
Other current assets	14	12,293	—
TOTAL		2,56,12,935	2,40,78,821

Notes referred to above form an integral part of the Balance Sheet

As per our attached report of even date

For Aneel Lasod and Associates

Chartered Accountants

Firm Registration No. 124609W

Aneel Lasod

Partner

M No: 40117

Place : Mumbai

Dated : 19th May, 2018.

For and on behalf of the Board of

For Motilal Oswal Fincap Private Limited

(Formerly known as Motilal Oswal Insurance Brokers Private Limited)

Shalibhadra Shah

Director

DIN: 07669954

Place : Mumbai

Dated : 19th May, 2018.

Harsh Joshi

Director

DIN: 02951058

STATEMENT OF PROFIT AND LOSS

PROFIT & LOSS ACCOUNT FOR THE YEAR 31 MARCH, 2018

	Note No.	For the year ended 31-Mar-2018 (In ₹)	For the year ended 31-Mar-2017 (In ₹)
INCOME :			
Revenue from operations	14	75,674	78,33,309
I. Other Income	15	13,24,529	12,10,284
II. TOTAL REVENUE		14,00,203	90,43,593
III. EXPENSES :			
Employee benefits expense	16	61,21,664	75,65,163
Finance costs	17	7,53,736	37,508
Depreciation and amortization expense	7	40,737	66,110
Other expenses	18	19,47,428	25,30,183
TOTAL EXPENSES		88,63,565	1,01,98,965
IV. Loss before exceptional and extraordinary items and tax		(74,63,363)	(11,55,371)
V. Exceptional items		-	-
V. Profit before extraordinary items and tax (V - VI)		(74,63,363)	(11,55,371)
VII. Extraordinary Items		-	-
V. Profit/ (Loss) before tax		(74,63,363)	(11,55,371)
VI. Tax expense:			
Current tax		-	-
MAT Credit Entitlement		-	-
Deferred tax		(19,241)	29,00,213
VII. Profit/ (Loss) after tax		(74,44,122)	(40,55,584)
VIII. Earnings per equity share:			
(1) Basic		(2.48)	(1.35)
(2) Diluted		(2.48)	(1.35)

Notes referred to above form an integral part of the Financial Statement

As per our attached report of even date

For Aneel Lasod and Associates

Chartered Accountants

Firm Registration No. 124609W

Aneel Lasod

Partner

M No: 40117

Place : Mumbai

Dated : 19th May, 2018.

For and on behalf of the Board of

For Motilal Oswal Fincap Private Limited

(Formerly known as Motilal Oswal Insurance Brokers Private Limited)

Shalibhadra Shah

Director

DIN: 07669954

Place : Mumbai

Dated : 19th May, 2018.

Harsh Joshi

Director

DIN: 02951058

CASH FLOW STATEMENT

CASH FLOW STATEMENT AS OF 31 MARCH, 2018

Particulars	For the year ended 31-Mar-2018 (In ₹)	For the year ended 31-Mar-2017 (In ₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	(74,63,363)	(11,55,371)
Adjustment for		
Interest paid	7,53,736	37,508
Interest Received	(13,24,529)	(12,10,284)
Depreciation	40,737	66,110
Adjustment for working capital changes		
Increase/(Decrease) other long term provision	(18,956)	16,148
Increase/(Decrease) Other Current Liabilities	45,448	2,50,384
Increase/(Decrease) Short-term Provision	(1,21,587)	3,40,941
(Increase)/Decrease In Short-term Loans & Advances	(4,66,223)	31,87,671
(Increase)/Decrease In trade receivables	18,717	33,25,631
(Increase)/Decrease In long term loans & advances	(69,175)	(49,75,188)
(Increase)/Decrease In Other Current Assets	(5,59,458)	(6,46,379)
CASH USED IN OPERATIONS	(91,64,652)	(7,62,829)
Taxes Paid (Net of Refunds)	-	-
NET CASH FROM OPERATING ACTIVITIES	(91,64,652)	(7,62,829)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible assets	-	(82,713)
Interest Received on Fixed Deposits	13,24,529	12,10,284
Investment in FD		
NET CASH FLOW FROM INVESTING ACTIVITIES	13,24,529	11,27,571

CASH FLOW STATEMENT *(Contd..)*

Particulars	For the year ended 31-Mar-2018 (In ₹)	For the year ended 31-Mar-2017 (In ₹)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) Short-term Borrowings	90,73,331	23,98,792
Interest paid	(7,53,736)	(37,508)
NET CASH FLOW FROM FINANCING ACTIVITIES	83,19,595	23,61,284
NET CASH FLOW FOR THE YEAR ENDED	4,79,472	27,26,026
Cash & Cash Equivalents comprise of		
Cash on hand	1,48,000	
Scheduled Bank - In Current Account	2,51,904	76,73,877
Fixed Deposit with Banks	1,00,00,000	-
Total Cash & Cash Equivalents as at beginning of the year	1,03,99,904	76,73,877
Cash & Cash Equivalents as at end of the year		
Cash on hand	14,800	1,48,000
Scheduled Bank - In Current Account	8,64,574	2,51,904
Fixed Deposit with Banks	1,00,00,000	1,00,00,000
Total Cash & Cash Equivalents as at end of the year	1,08,79,374	1,03,99,904

Note : The above cash flow statement has been prepared under the Indirect method" as set out in Accounting Standard - 3 on cash flow statements issued by the Institute of Chartered Accountants of India.

As per our attached report of even date

For Aneel Lasod and Associates
Chartered Accountants
Firm Registration No. 124609W

Aneel Lasod
Partner
M No: 40117

Place : Mumbai
Dated : 19th May, 2018.

For and on behalf of the Board of
For Motilal Oswal Fincap Private Limited
(Formerly known as Motilal Oswal Insurance Brokers Private Limited)

Shalibhadra Shah
Director
DIN: 07669954

Harsh Joshi
Director
DIN: 02951058

Place : Mumbai
Dated : 19th May, 2018.

NOTES TO FINANCIAL STATEMENT

NOTE 1 : SHARE CAPITAL

	As at 31-Mar-2018		As at 31-Mar-2017	
	Number of Shares	In ₹	Number of Shares	In ₹
Authorised :				
Equity Shares of ₹ 10/- Each	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Issued, Subscribed and Paid Up :				
Equity Shares of ₹ 10/- Each	30,00,000	3,00,00,000	30,00,000	3,00,00,000
TOTAL	30,00,000	3,00,00,000	30,00,000	3,00,00,000

The Company has one class of shares referred to as equity shares having a par value of ₹ 10/-. 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.

a) Reconciliation of the number of shares outstanding

	As at 31-Mar-2018 No. of shares	As at 31-Mar-2017 No. of shares
Number of shares at the beginning	30,00,000	30,00,000
Add: Shares issued during the year	—	—
Number of shares at the end	30,00,000	30,00,000

b) Share holder having more than 5% equity holding in the Company

Name of Shareholder	As at 31-Mar-2018		As at 31-Mar-2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Motilal Oswal Financial Services Limited	30,00,000	100.00	30,00,000	100.00

NOTE 2: RESERVES AND SURPLUS

	As at 31-Mar-2018 In ₹	As at 31-Mar-2017 In ₹
Surplus/(Deficit)		
Opening balance	(1,02,09,719)	(61,54,134)
(+) Net Profit/(Net Loss) For the current year	(74,44,121)	(40,55,584)
Closing Balance	(1,76,53,841)	(1,02,09,719)

NOTE 3 : LONG TERM PROVISIONS

	As at 31-Mar-2018 In ₹	As at 31-Mar-2017 In ₹
Others		
Gratuity obligation - unamortised amount relating to plan amendment (refer to note 27)	1,03,911	1,22,867
TOTAL	1,03,911	1,22,867

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 4 : SHORT TERM BORROWINGS

	As at 31-Mar-2018 In ₹	As at 31-Mar-2017 In ₹
(unsecured, considered good)		
Loans repayable on demand		
– from holding company (Motilal Oswal Financial Services Pvt. Ltd.)	1,14,38,387	23,65,056
TOTAL	1,14,38,387	23,65,056

NOTE 5 : OTHER CURRENT LIABILITIES

	As at 31-Mar-2018 In ₹	As at 31-Mar-2017 In ₹
Advance received from customers	–	139
Withholding and other taxes payable	99,872	1,04,895
Other payables	3,08,718	2,58,108
Interest accrued and due	–	–
TOTAL	4,08,590	3,63,142

NOTE 6 : SHORT TERM PROVISIONS

	As at 31-Mar-2018 In ₹	As at 31-Mar-2017 In ₹
Provision for Employee Benefits		
Gratuity obligation - unamortised amount relating to plan amendment '(refer to note 19)	1,68,356	70,892
Incentives Payable	5,31,199	5,54,770
Provision for Ex Gratia	5,13,765	7,58,370
Leave encashment	4,626	513
Other payable (includes payables to vendor)	97,942	52,930
TOTAL	13,15,888	14,37,475

NOTE 7 : FIXED ASSETS

(IN ₹)

Asset Class Code	Particulars	GROSS BLOCK				CURRENT PERIOD ACCUMULATED DEPRECIATION				NET BLOCK	
		Opening	Additions	Deductions	Closing	Opening	Additions	Deductions	Closing	Opening	Closing
TAPE0001	COMPUTER-1	4,40,589	–		4,40,589	3,57,046	40,737		3,97,783	83,543	42,806
TOTAL		4,40,589	–	–	4,40,589	3,57,046	40,737	–	3,97,783	83,543	42,806

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 8 : DEFERRED TAX ASSETS (NET)

	As at 31-Mar-2018 In ₹	As at 31-Mar-2017 In ₹
Deferred tax assets		
Provision for gratuity	70,108	49,893
Carry forward losses	–	–
WDV of Fixed assets	(3,380)	(2,406)
TOTAL	66,729	47,486
RESTRICTED TO ₹	66,729	47,486

NOTE 9 : LONG TERM LOANS & ADVANCES

	As at 31-Mar-2018 In ₹	As at 31-Mar-2017 In ₹
Deposit Rent	5,65,500	5,65,500
Taxes paid	44,80,221	44,05,730
Prepaid Expenses	–	5,316
TOTAL	50,45,721	49,76,546

NOTE 10 : OTHER NON CURRENT ASSETS

	As at 31-Mar-2018 In ₹	As at 31-Mar-2017 In ₹
Other Bank Balance (Lien marked to IRDA) (FD having maturity period more than 12 months)	75,81,998	75,81,998
Accrued Interest on FDR	10,25,264	4,78,099
TOTAL	86,07,262	80,60,097

NOTE 11 : TRADE RECEIVABLES

	As at 31-Mar-2018 In ₹	As at 31-Mar-2017 In ₹
Sundry Receivable	13,073	31,790
TOTAL	13,073	31,790

NOTE 12 : CASH AND CASH EQUIVALENTS

	As at 31-Mar-2018 In ₹	As at 31-Mar-2017 In ₹
Balances with banks		
In Current Account	8,79,374	3,99,904
Other deposit		
Fixed Deposit with Banks	1,00,00,000	1,00,00,000
TOTAL	1,08,79,374	1,03,99,904

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 13 : SHORT TERM LOANS AND ADVANCES

	As at 31-Mar-2018 In ₹	As at 31-Mar-2017 In ₹
Loans and advances		
– Other taxes receivable	6,21,671	4,26,143
– Prepaid Expenses	65,615	43,608
– Other advances	–	9,701
– Rent Receivable	2,58,389	–
TOTAL	9,45,675	4,79,452

NOTE 14 : OTHER CURRENT ASSETS

	As at 31-Mar-2018 In ₹	As at 31-Mar-2017 In ₹
Other Receivable	12,293	–
TOTAL	12,293	–

NOTE 15 : REVENUE FROM OPERATIONS

	For the year ended 31-Mar-2018 In ₹	For the year ended 31-Mar-2017 In ₹
Brokerage Income	75,674	78,33,309
TOTAL	75,674	78,33,309

NOTE 16 : OTHER INCOME

	For the year ended 31-Mar-2018 In ₹	For the year ended 31-Mar-2017 In ₹
Interest on Income tax refund	4,794	–
Interest	13,19,734	12,10,284
TOTAL	13,24,529	12,10,284

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 17 : EMPLOYEE BENEFITS EXPENSE

	For the year ended 31-Mar-2018 In ₹	For the year ended 31-Mar-2017 In ₹
Salary, Bonus and Allowances	54,56,271	72,63,888
Contribution to Provident and other Fund	1,06,424	1,57,520
Gratuity	78,508	31,704
Staff welfare expenses	2,11,778	1,12,051
Employee Stock option Scheme	2,68,683	–
TOTAL	61,21,664	75,65,163

NOTE 18 : FINANCE COST

	For the year ended 31-Mar-2018 In ₹	For the year ended 31-Mar-2017 In ₹
Interest expense	7,53,736	37,508
TOTAL	7,53,736	37,508

NOTE 19 : OTHER EXPENSES

	For the year ended 31-Mar-2018 In ₹	For the year ended 31-Mar-2017 In ₹
Rates & Taxes	12,998	8,186
Rent	8,93,166	11,36,662
Insurance	85,358	3,06,859
Auditors Remuneration	36,875	1,51,378
Legal & Professional Fees	3,59,374	1,03,649
Communication Expenses	63,217	1,05,031
Travelling Expenses	1,68,703	2,29,539
Entertainment Expenses	741	1,51,156
Miscellaneous Expenses	3,26,996	3,37,723
TOTAL	19,47,428	25,30,183

NOTE 20 : BACKGROUND

Motilal Oswal Fincap Private Limited was incorporated on April 23, 2007. The principal shareholder of the Company as at March 31, 2018 is Motilal Oswal Financial Services Limited (MOFSL). During the FY 2013-14 the company has received license from Insurance Regulatory and Development Authority (IRDA) (Regn No. IRDA/DB439/09 date of Regn Aug 20, 2013) for conducting insurance broking business.

During the financial year, the company has surrendered its License, from IRDA (Regn No. IRDA/DB439/09 date of Regn August 20, 2013) on 05th April 2017 and IRDA has approved the application on 13th April 2018.

NOTE 21 : SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of financial statement:

The financial statement of the Company are prepared under the historical cost convention, on the accrual basis of accounting and comply in all material respects with the generally accepted accounting principles in India, the applicable accounting standards notified under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 issued by Institute of Chartered Accountant of India.

All assets and liabilities have been classified as current or noncurrent as per the company's normal operating cycle and other criteria set out in the schedule III to the Companies Act 2013. Based on the nature of business the company has ascertained its operating cycle as twelve months for the purpose of current and non- current classification of assets and liabilities.

b) Use of estimates:

The preparation of the financial statement in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statement are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statement. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statement. Any differences of actual results to such estimates are recognized in the year in which the results are known / materialized.

c) Revenue Recognition:

1. Brokerage income is recognized when an insurance policy sold by the Company is accepted by the principal insurance company. Renewal commission on policies is accounted for on receipt on renewal premium by the principle insurance company.
2. Interest income is recognized on accrual basis.
3. Dividend income is recognized when the right to receive payment is established.

d) Employee Benefits:

Provident Fund:

Contribution payable to the recognised provident fund, which is a defined contribution scheme, is charged to the profit and loss account in the year in which they occur.

Gratuity:

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 unrecognized actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognized immediately in the statement of profit and loss.

Compensated Absences:

As per the policy of the company, an employee can carry forward maximum 10 days of leave to next financial year. No leave is allowed to be encashed. An obligation arises as employees render service that increases their entitlement to future compensated absences. Provision is made for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

Ex-gratia (Bonus):

The company recognizes the costs of bonus payments when it has a present obligation to make such payments as a result of past events and the reliable estimate of the obligation can be made.

e) Taxation:

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) & deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the year).

Current Tax:

Provision for current tax is made on the basis of estimated taxable income for the accounting year in accordance with the Income Tax Act, 1961.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Deferred taxation:

The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of the assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonable/virtually certain (as the case may be) to be realised.

f) Preliminary Expenses:

Preliminary expenses are charged to the profit and loss account in the year in which they are incurred.

g) Provisions and contingencies:

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

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

h) Impairment of assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit which the asset belongs to, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

i) Property, plant and equipments and depreciation/Amortization

Property, plant and equipments are stated at the cost of acquisition less accumulated depreciation thereon. Cost of acquisition is inclusive of taxes, duties, freight and other incidental costs relating to their acquisition and installation of these assets. The Company provides pro-rata depreciation from the date on which asset is acquired /put to use. In respect of assets sold, pro-rata depreciation is provided upto the date on which the asset is sold. Depreciation is based on the cost of an asset less its residual value as notified in Schedule II to the Companies Act, 2013. In pursuant of Schedule II of the Companies Act 2013, the fixed assets of the significant value are componentized with separate useful life. In case of addition, depreciation is provided pro-rata for entire month in which addition is made and in case of deletions, depreciation is provided till month preceding month of disposal of such assets. On all assets, except as mentioned below, depreciation has been provided based on Written Down Value method using the useful life as specified in Schedule II to the Companies Act, 2013.

NOTE 22 :

The company has surrendered its License, from IRDA (Regn No. IRDA/DB439/09 date of Regn August 20, 2013) on 05th April 2017 and IRDA has approved the application on 13th April 2018.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 23 : AUDITORS' REMUNERATION

Particulars	For the year ended 31-Mar-2018 In ₹	For the year ended 31-Mar-2017 In ₹
As Auditors:		
Audit fees	25,000	25,000
In any other capacity, in respect of :		
Other Services	11,875	1,26,378
TOTAL	36,875	1,51,378

NOTE 24 : BASIC & DILUTED EARNINGS PER SHARE

Particulars	For the year ended 31-Mar-2018 In ₹	For the year ended 31-Mar-2017 In ₹
Net Profit / (Loss) attributable to equity shareholders [A] (₹)	(74,44,122)	(40,55,584)
Weighted Average Number of equity shares issued [B] (₹)	30,00,000	30,00,000
Basic & Diluted Earnings per share (EPS)[A/B] (₹)	(2.48)	(1.35)

NOTE 25 : RELATED PARTY DISCLOSURE

I. Names of Related Parties:-

A) Holding Company:

1. Motilal Oswal Financial Services Limited

B) Ultimate Holding Company:

1. Passionate Investment Management Private Limited

C) Fellow subsidiaries:

1. Motilal Oswal Securities Limited
2. Motilal Oswal Commodities Broker Private Limited
3. Motilal Oswal Investment Advisors Limited (formerly known as Motilal Oswal Investment Advisors Private Limited)
4. MOPE Investment Advisors Private Limited
5. Motilal Oswal Wealth Management Limited
6. Motilal Oswal Capital Markets Private Limited
7. Motilal Oswal Asset Management Co. Limited
8. Motilal Oswal Trustee Co. Limited.
9. Motilal Oswal Securities International Pvt. Limited
10. Motilal Oswal Capital Markets (Hongkong) Pvt. Limited
11. Motilal Oswal Capital Markets (Singapore) Pte. Limited
12. Aspire Home Finance Corporation Limited
13. Motilal Oswal Real Estate Investment Advisors Private Limited
14. Motilal Oswal Real Estate Investment Advisors II Private Limited
15. India Business Excellence Management Company
16. Motilal Oswal Asset Management (Mauritius) Pvt. Limited
17. Nagori Agro & Cattle Feeds Private Limited
19. Motilal Oswal Capital Limited

NOTES TO FINANCIAL STATEMENT (Contd..)

Transactions with related parties for the year ended 31st March, 2018 :

Transaction	Name of the related Party	Holding Company		Total	
		2017-18	2016-17	2017-18	2016-17
Interest Expense	Motilal Oswal Financial Services Ltd	7,53,736	37,508	7,53,736	37,508
Rent Expense	Motilal Oswal Financial Services Ltd	8,91,750	11,31,000	8,91,750	11,31,000
Reimbursement of Expenses	Motilal Oswal Financial Services Ltd	–	2,75,966	–	2,75,966
Reimbursement of Expenses	Motilal Oswal Securities Ltd	2,22,033	1,63,293	2,22,033	1,63,293
Loans taken (Maximum balance)	Motilal Oswal Financial Services Ltd	1,13,50,000	23,50,000	1,13,50,000	23,50,000
Outstanding Balances:					
Loans Given / (Taken)	Motilal Oswal Financial Services Ltd	1,14,38,387	23,50,000	1,14,38,387	23,50,000
Rent Deposit Given / (Taken)	Motilal Oswal Financial Services Ltd	5,65,500	5,65,500	5,65,500	5,65,500

Note: 'Income/receipts figures are shown in brackets.

NOTE 26 :

In the opinion of the Board of Directors, all current assets, loans and advances would be realizable at least of an amount equal to the amount at which they are stated in the Balance sheet. There is no impairment in the Fixed Assets.

NOTE 27 :

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

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

	31-Mar-2018	31-Mar-2017
I Assumptions as at		
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest / Discount Rate	6.85%	6.69%
Rate of increase in compensation	11.21%	8.00%
Rate of return (expected) on plan assets		
Employee Attrition Rate(Past SeIVice (PS))	PS: 0 to 37 : 40.73%	PS: 0 to 37 : 36.61%
Expected average remaining service	1.27	1.41
II Changes in present value of obligations		
PVO at beginning of period	1,93,759	1,62,055
Interest cost	12,962	12,138
Current Service Cost	1,06,150	93,336
Past Service Cost- (non vested benefits)	–	–
Past Service Cost -(vested benefits)	–	–
Benefits Paid	–	–
Actuarial (Gain)/Loss on obligation	(40,604)	(73,770)
PVO at end of period	2,72,267	1,93,759
III Changes in fair value of plan assets		
Fair Value of Plan Assets at beginning of period	–	–
Expected Return ori Plan Assets	–	–
Contributions	–	–
Benefit Paid	–	–
Actuarial Gain/(Loss) on plan assets	–	–
Fair Value of Plan Assets at end of period	–	–

NOTES TO FINANCIAL STATEMENT *(Contd..)*

	31-Mar-2018	31-Mar-2017
IV Fair Value of Plan Assets		
Fair Value of Plan Assets at beginning of period	-	-
Actual Return on Plan Assets	-	-
Contributions	-	-
Benefit Paid	-	-
Fair Value of Plan Assets at end of period	-	-
Funded Status (including unrecognised past service cost)	(2,72,267)	(1,93,759)
Excess of actual over estimated return on Plan Assets	-	-
V Experience History		
(Gain)/Loss on obligation due to change in Assumption	3,184	1,270
Experience (Gain)/ Loss on obligation	(43,788)	(75,040)
Actuarial Gain/(Loss) on plan assets	-	-
VI Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the period (Obligation)	40,604	73,770
Actuarial Gain/(Loss) for the period (Plan Assets)	-	-
Total Gain/(Loss) for the period	40,604	73,770
Actuarial Gain/(Loss) recognized for the period	40,604	73,770
Unrecognized Actuarial Gain/(Loss) at end of period	-	-
VII Past Service Cost Recognised		
Past Service Cost - (non vested benefits)	-	-
Past Service Cost - (vested benefits)	-	-
Average remaining future service till vesting of the benefit	-	-
Recognised Past service Cost - non vested benefits	-	-
Recognised Past service Cost- vested benefits	-	-
Unrecognised Past Service Cost - non vested benefits	-	-
VIII Amounts to be recognized in the balance sheet and statement of profit & loss account		
PVO at end of period	2,72,267	1,93,759
Fair Value of Plan Assets at end of period	-	-
Funded Status	(2,72,267)	(1,93,759)
Unrecognized Actuarial Gain/(Loss)	-	-
Unrecognised Past Service Cost - non vested benefits	-	-
Net Asset/(Liability) recognized in the balance sheet	(2,72,267)	(1,93,759)
IX Expense recognized in the statement of P & LAIC		
Current Service Cost	1,06,150	93,336
Interest cost	12,962	12,138
Past Service Cost - (non vested benefits)	-	-
past Service Cost "(vested benefits)	-	-
Unrecognised Past Service Cos t- non vested benefits	-	-
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/Loss recognized for the period	(40,604)	(73,770)
Expense recognized in the statement of P&L AIC	78,508	31,704

NOTES TO FINANCIAL STATEMENT *(Contd..)*

	31-Mar-2018	31-Mar-2017
X Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	1,93,759	1,62,055
Expenses as above	78,508	31,704
Contribution paid	–	–
Closing Net Liability	2,72,267	1,93,759
XI Schedule III of The Companies Act 2013		
Current Liability	1,03,911	70,892
Non-Current Liability	1,68,356	1,22,867

NOTE 28 : PROVISIONS MADE FOR THE YEAR ENDED 31.03.2018 COMPRISES OF:

Particulars	Opening balance	Provided during the year ended 31st March 2018	Provision Paid / reversed during the year ended 31st March 2018	Closing balance as of 31st March 2018
Ex-gratia	7,58,370	5,13,765	7,58,370	5,13,765
Incentive	–	5,31,199	–	5,31,199
Gratuity	1,93,759	78,508	–	2,72,267

Particulars	Opening balance	Provided during the year ended 31st March 2017	Provision Paid / reversed during the year ended 31.03.17	Closing balance as of 31st March 2017
Ex-gratia	5,85,210	7,58,370	5,85,210	7,58,370
Gratuity	1,62,055	31,704	–	1,93,759

NOTE 29 :

Previous year figures have been regrouped/rearranged where necessary to make them comparable

As per our attached report of even date

For Aneel Lasod and Associates

Chartered Accountants

Firm Registration No. 124609W

Aneel Lasod

Partner

M No: 40117

Place : Mumbai

Dated : 19th May, 2018.

For and on behalf of the Board of

For Motilal Oswal Fincap Private Limited

(Formerly known as Motilal Oswal Insurance Brokers Private Limited)

Shalibhadra Shah

Director

DIN: 07669954

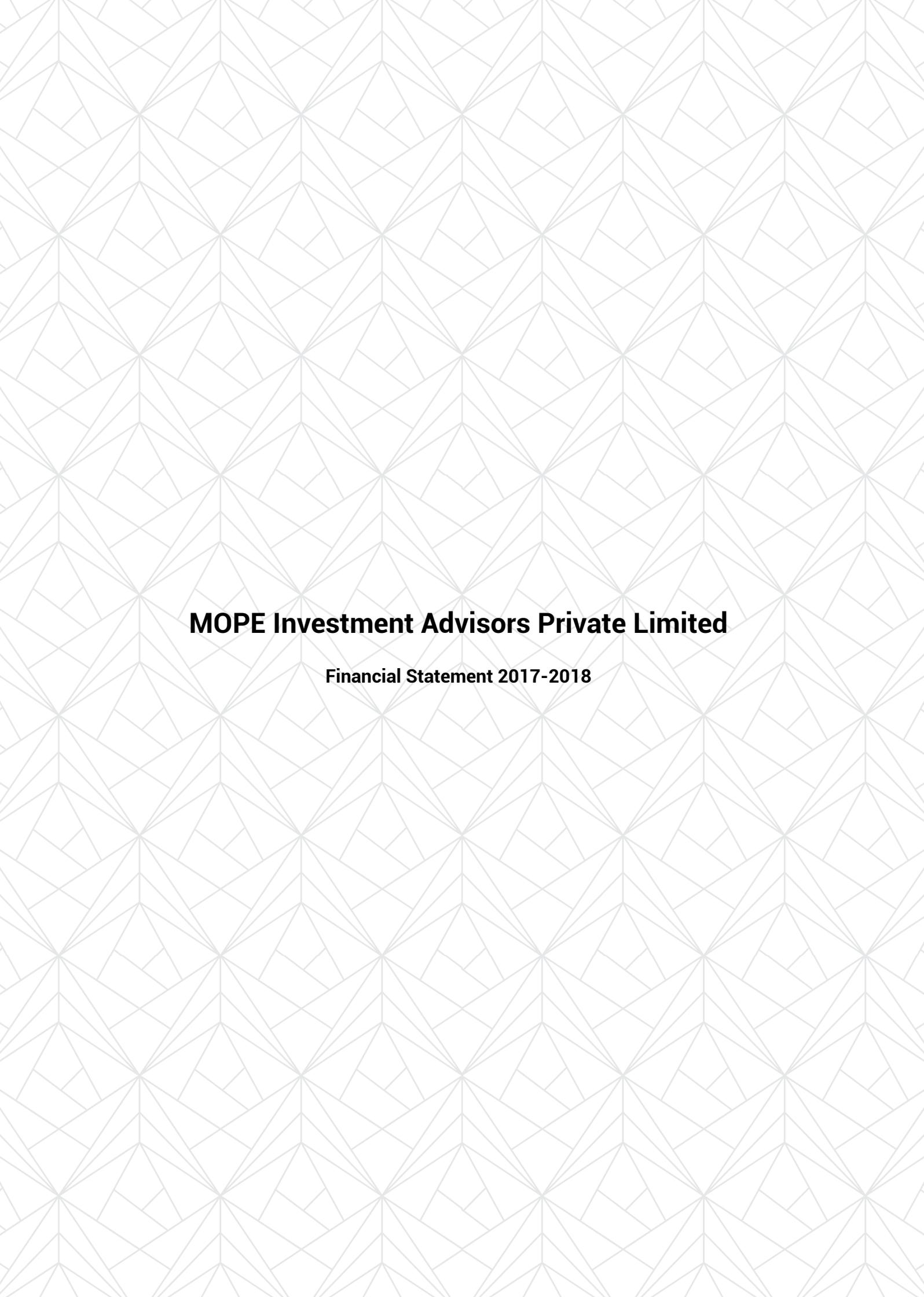
Place : Mumbai

Dated : 19th May, 2018.

Harsh Joshi

Director

DIN: 02951058



MOPE Investment Advisors Private Limited

Financial Statement 2017-2018

INDEPENDENT AUDITORS' REPORT

To the Members of **MOPE INVESTMENT ADVISORS PRIVATE LIMITED**

Report on the Financial Statement

1. We have audited the accompanying financial statement of MOPE Investment Advisors Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its profit and its cash flows for the year ended on that date.

Other Matter

9. The financial statement of the Company for the year ended 31 March 2017 were audited by predecessor auditor of the Company, whose report dated 26 April 2017, expressed an unmodified opinion on those statements.

Report on Other Legal and Regulatory Requirements

10. 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.
11. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

INDEPENDENT AUDITORS' REPORT *(Contd..)*

- c. the financial statement dealt with by this report are in agreement with the books of account;
- d. in our opinion, the aforesaid financial statement comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the financial statement of the Company for the year ended on that date and our report dated 21 May 2018 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 29 to the financial statement, has disclosed the impact of pending litigations on its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these financial statement. Hence, reporting under this clause is not applicable.

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

per Sudhir N. Pillai
Partner
Membership No.: 105782

Place: Mumbai
Date: 21 May 2018

INDEPENDENT AUDITORS' REPORT (Contd.)

Annexure I to the Independent Auditor's Report of even date to the members of MOPE Investment Advisors Private Limited, on the financial statement for the year ended 31 March 2018

ANNEXURE I

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
(c) The Company does not hold any immovable property (in nature of 'fixed asset'). Accordingly, the provision of clause 3 (i) (c) of the Order are not applicable.
- (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 not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
(b) The dues outstanding in respect of income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	241,891	–	Assessment Year 2012-2013	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	173,309	–	Assessment Year 2013-2014	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	858,979	–	Assessment Year 2015-2016	Commissioner of Income Tax (Appeals)

- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (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.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

- (xi) Managerial remuneration has been paid 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 Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statement, as required by the applicable accounting standards. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per Sudhir N. Pillai

Partner

Membership No.: 105782

Place: Mumbai

Date: 21 May 2018

Annexure II to the Independent Auditor's Report of even date to the members of MOPE Investment Advisors Private Limited, on the financial statement for the year ended 31 March 2018

ANNEXURE II

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

1. In conjunction with our audit of the financial statement of MOPE Investment Advisors Private Limited ('the Company') as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement 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 statement.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

INDEPENDENT AUDITORS' REPORT *(Contd..)*

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per Sudhir N. Pillai

Partner

Membership No.: 105782

Place: Mumbai

Date: 21 May 2018

BALANCE SHEET

BALANCE SHEET AS AT 31 MARCH 2018

Particulars	Note No.	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	5,88,250	5,88,250
(b) Reserves and surplus	4	32,28,59,391	35,05,39,257
		32,34,47,641	35,11,27,507
2. Non-current liabilities			
(a) Long - term provisions	5	42,17,076	32,03,862
(b) Deferred tax liabilities (net)	6	2,86,99,780	—
		3,29,16,856	32,03,862
3. Current liabilities			
(a) Short - term borrowings	7	8,98,50,000	3,30,00,000
(b) Trade payables	8	—	—
— total outstanding dues of micro enterprises and small enterprises		—	—
— total outstanding dues of creditors other than micro enterprises and small enterprises		12,40,836	—
(c) Other current liabilities	9	15,01,41,483	11,17,02,008
(d) Short - term provisions	10	5,13,55,221	2,09,04,710
		29,25,87,540	16,56,06,718
		64,89,52,037	51,99,38,087
II. ASSETS			
1. Non - current assets			
(a) Property, plant and equipment	11	37,22,014	52,49,702
(b) Intangible assets	11	3,818	3,818
(c) Non-current investments	12	29,41,31,937	41,02,51,019
(d) Deferred tax assets (net)	6	—	61,41,068
(e) Long - term loans and advances	13	22,05,15,385	6,30,05,867
		51,83,73,154	48,46,51,474
2. Current assets			
(a) Trade receivables	14	6,37,37,107	18,36,625
(b) Cash and cash equivalents	15	3,88,74,291	2,28,78,423
(c) Short - term loans and advances	16	2,79,67,485	1,05,71,565
		13,05,78,883	3,52,86,613
		64,89,52,037	51,99,38,087

The accompanying notes 1 to 34 form an integral part of the financial statement

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

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

Sudhir N. Pillai
Partner
Membership No : 105782

Place : Mumbai
Date : 21 May 2018

For and on behalf of the Board of Directors
MOPE Investment Advisors Private Limited

Vishal Tulsyan
Managing Director & Chief Executive Officer
DIN No. 00139754

Place : Mumbai
Date : 21 May 2018

Motilal Oswal
Director
DIN No. 00024503

STATEMENT OF PROFIT AND LOSS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

Particulars	Note No.	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
REVENUE			
(a) Revenue from operations	17	42,31,50,108	29,37,57,798
(b) Other income	18	57,43,25,748	61,22,81,154
Total revenue		99,74,75,856	90,60,38,952
EXPENSES			
(a) Employee benefits expense	19	23,09,07,807	20,72,59,038
(b) Finance cost	20	68,17,646	2,75,980
(c) Depreciation and amortisation	11	37,16,522	50,44,817
(d) Operating expenses	21 (a)	4,12,32,354	85,73,931
(e) Other expenses	21 (b)	7,95,88,519	6,24,47,456
Total expenses		36,22,62,848	28,36,01,222
Profit before tax		63,52,13,008	62,24,37,730
Tax expense			
(a) Current tax		13,56,39,129	13,28,50,688
(b) Deferred tax charge/ (credit)		3,48,40,848	(35,98,005)
(c) Income tax for earlier years		(1,62,112)	29,86,982
(d) Minimum alternate tax credit entitlement		(4,60,78,031)	(1,43,81,569)
		12,42,39,834	11,78,58,096
Profit after tax		51,09,73,174	50,45,79,634
Earnings per equity share	26		
Basic and Diluted (Nominal value of ₹ 10 each)		8,686.33	8,577.64

The accompanying notes 1 to 34 form an integral part of the financial statement

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

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

Sudhir N. Pillai
Partner
Membership No : 105782

Place : Mumbai
Date : 21 May 2018

For and on behalf of the Board of Directors
MOPE Investment Advisors Private Limited

Vishal Tulsyan
Managing Director & Chief Executive Officer
DIN No. 00139754

Place : Mumbai
Date : 21 May 2018

Motilal Oswal
Director
DIN No. 00024503

CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

Particulars	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	63,52,13,008	62,24,37,730
Adjustment for:		
Depreciation and amortisation	37,16,522	50,44,817
Interest expenses	68,17,646	2,75,980
Interest income	–	(33,46,321)
Dividend income	(53,86,53,039)	(57,09,42,740)
Profit on sale of investment	(24,05,154)	(36,90,390)
(Profit) on sale of fixed assets	–	(1,31,844)
Partnership gain	(2,97,22,739)	(2,86,27,895)
Provision for gratuity and other long-term benefits	26,77,952	8,83,930
Provision for compensated absences	2,12,450	1,95,752
Operating profit before working capital changes	7,78,56,646	2,20,99,019
Changes in working capital		
Increase/(decrease) long - term provision	10,13,214	1,72,110
Increase/(decrease) trade payables	12,40,836	–
Increase/(decrease) other current liabilities	3,77,37,216	(2,12,94,549)
Increase/(decrease) short - term provision	2,75,60,109	(2,13,40,626)
(Increase)/decrease in long - term loans and advances	(10,66,55,233)	(2,06,64,377)
(Increase)/decrease trade receivables	(6,19,00,482)	16,11,605
(Increase)/decrease in short-term loans and advances	(1,73,95,920)	48,17,621
Cash (used in) operations	(4,05,43,614)	(3,45,99,197)
Income tax paid (net of refunds and including MAT credit utilised)	(14,02,53,272)	(12,24,06,332)
Net cash (used in) operating activities	(18,07,96,886)	(15,70,05,529)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of PPE	(21,88,834)	(74,86,458)
Proceeds from sale of PPE	–	3,92,463
Investment in subsidiary company	(90,00,000)	(1,00,010)
Sale/ (Purchase) of long-term investments including partnership gain	13,22,46,975	(1,43,58,825)
Proceed from sale of investments	2,50,00,000	–
Interest received	–	33,46,321
Dividend received	53,86,53,040	57,09,42,740
Loan repaid by subsidiary company	–	5,00,15,862
Net cash flow generated from investing activities	68,47,11,181	60,27,52,093

CASH FLOW STATEMENT *(Contd..)*

Particulars	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from borrowings	56,53,50,000	14,55,50,000
Repayment of borrowings	(50,85,00,000)	(11,26,78,295)
Interest paid	(61,15,387)	(1,18,529)
Interim dividend paid	(53,86,53,040)	(57,09,32,296)
Net cash flow (used in) financing activities	(48,79,18,427)	(53,81,79,120)
Net increase / (decrease) in cash and cash equivalents during the year (A+B+C)	1,59,95,868	(9,24,32,556)
Cash and cash equivalents as at beginning of the year	2,28,78,423	11,53,10,979
Cash and cash equivalents as at end of the year (also refer note 15)	3,88,74,291	2,28,78,423

The accompanying notes 1 to 34 form an integral part of the financial statement

Notes:

- (i) The above cash flow statement has been prepared under indirect method as set out in Accounting Standard 3, 'Cash Flow Statements', as specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Account) Rules, 2014 (as amended).
- (ii) Figures in brackets indicate cash outflows.

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

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

Sudhir N. Pillai
Partner
Membership No : 105782

Place : Mumbai
Date : 21 May 2018

For and on behalf of the Board of Directors
MOPE Investment Advisors Private Limited

Vishal Tulsyan
Managing Director & Chief Executive Officer
DIN No. 00139754

Place : Mumbai
Date : 21 May 2018

Motilal Oswal
Director
DIN No. 00024503

NOTES TO FINANCIAL STATEMENT

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

1. BACKGROUND

MOPE Investment Advisors Private Limited ('the Company') is an Investment Manager and Venture Capital Advisor managing various funds including Business Excellence Funds, Realty Excellence Fund, etc. The Company is also engaged in providing financial, investment advisory services, management and facilitation services and identifying investment opportunities etc. The Company holds license of Investment Advisor issued by SEBI, Reg. No. INA000000508 dated 12 December 2013.

Basis of preparation of financial statement

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Use of estimates

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

(b) Property, Plant and Equipment (PPE)

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

Depreciation

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

Improvements to leasehold premises are depreciated over the initial period of lease on straight line basis.

(c) Intangible assets and amortisation

- Expenses incurred on Computer software having enduring benefits are capitalised and amortised on straight line method basis over a period of five years.

(d) Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If such an indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment

NOTES TO FINANCIAL STATEMENT *(Contd..)*

loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

(e) Investments

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

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

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

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

(f) Revenue recognition

Revenue is recognised when there is reasonable certainty of its ultimate realisation/collection.

- Management and Advisory fees are accounted on accrual basis net of indirect taxes in accordance with the terms of contracts entered into between the Company and the counter party.
- Interest income is recognized on accrual basis.
- Dividend income is recognised when the right to receive payment is established.
- Income from investment in Private equity funds (“the Fund”), is booked as and when the same is distributed by the Fund. Return of capital contribution is reduced from the original cost of investments.
- Profit and loss from Partnership firm are accounted on accrual basis and as per terms of Partnership LLP agreement dated 29 January 2014, entered between IREF II LLP, Motilal Oswal Real Estate Investment Advisors Private Limited and Motilal Oswal Securities Limited.
- In respect of other heads of income, the Company accounts the same on accrual basis.

(g) Foreign currency transactions

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

(h) Employee benefits

Short-term employment benefits

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

Post-employment benefits

Defined contribution plan:

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

Defined benefits plan:

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognised actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognised immediately in the Statement of Profit and Loss.

Other long-term benefits

Other long-term benefits consist of heritage club benefits, which are recognised as liability at the present value of defined benefits obligation as at the Balance Sheet date. The defined obligation benefit is calculated at the Balance Sheet date by an independent actuary using the projected unit credit method.

Compensated absences

As per the policy of Company, an employee can carry forward maximum 10 days of leave to next financial year. No leave is allowed to be encashed. An obligation arises as employees render service that increase their entitlement to future compensated absences. Provision is made for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

Ex-gratia (bonus)

The Company recognizes the costs of bonus payments when it has a present obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

(i) Operating leases

Where the Company is a Lessee:

Lease where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Operating lease rentals are recognised as an expense in the Statement of Profit and Loss on straight line basis over the lease period on accrual basis as per the terms of agreement with counter parties.

Where the Company is a Lessor:

The Company recognizes sub-lease rentals from the property leased out, on accrual basis as per the terms of agreement entered with the counter party.

(j) Taxation

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

Current tax

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

Minimum Alternate Tax

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

Deferred tax

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

NOTES TO FINANCIAL STATEMENT *(Contd..)*

(k) Earnings per share

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

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

(l) Provisions and Contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

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

(m) Borrowing costs

General and specific borrowing cost directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

(n) Cash and cash equivalents

Cash and cash equivalents in Balance Sheet comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

NOTE 3 : SHARE CAPITAL

	As at 31-Mar-18		As at 31-Mar-17	
	Number of shares	(In ₹)	Number of shares	(In ₹)
Authorised				
Equity shares of ₹ 10 each (Previous year ₹ 10 each)	5,00,000	50,00,000	5,00,000	50,00,000
Non convertible preference shares of ₹ 10 each (previous year ₹ 10 each)	5,00,000	50,00,000	5,00,000	50,00,000
	10,00,000	1,00,00,000	10,00,000	1,00,00,000
Issued, subscribed and paid up				
Equity shares of ₹ 10 each fully paid up (previous year ₹ 10 each)	58,825	5,88,250	58,825	5,88,250
	58,825	5,88,250	58,825	5,88,250

3.1 Terms and Conditions

Equity shares :

The Company has issued one class of shares referred to as equity shares having a par value of ₹ 10. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividend in Indian rupees. Each Equity share has the same right of dividend. In the event of liquidation of Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company,

NOTES TO FINANCIAL STATEMENT *(Contd..)*

after distribution of all 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 General Meeting.

Preference shares :

The Company has only one class of preference shares having a par value of ₹ 10 each and there are no preference shares issues and subscribed as at 31 March 2018 and 31 March 2017.

3.2 Reconciliation of number of shares outstanding

	As at 31-Mar-18		As at 31-Mar-17	
	Number of shares	(In ₹)	Number of shares	(In ₹)
At the beginning of the year	58,825	5,88,250	58,825	5,88,250
Additions during the year	—	—	—	—
At the end of the year	58,825	5,88,250	58,825	5,88,250

3.3 Shareholder having more than 5% equity holding in the Company

Name of shareholder	As at 31-Mar-18		As at 31-Mar-17	
	Number of shares held	% of holding	Number of shares held	% of holding
Motilal Oswal Financial Services Limited (Holding Company) *	50,000	85.00	50,000	85.00
Mr. Vishal Tulsyan	6,345	10.78	6,345	10.78

* including 1 share jointly held with Mr. Motilal Oswal and 1 share jointly held with Mr. Raamdeo Agarawal

NOTE 4 : RESERVES AND SURPLUS

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Surplus in the Statement of Profit and Loss		
Balance at the beginning of the year	35,05,39,257	41,68,91,919
Add: Transfer from Statement of Profit and Loss	51,09,73,174	50,45,79,634
Less: Interim dividend paid	(53,86,53,040)	(57,09,32,296)
Balance at the end of the year	32,28,59,391	35,05,39,257

NOTE 5 : LONG - TERM PROVISIONS

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Provision for employee benefits (also refer note 30)		
Gratuity obligation	41,38,545	30,74,851
Heritage obligation	78,531	1,29,011
	42,17,076	32,03,862

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 6 : DEFERRED TAX ASSETS / LIABILITIES (NET)

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Deferred tax liabilities (net)		
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	(31,24,819)	–
Provision for gratuity	(15,83,730)	–
Accrued income on investments in units of private equity funds	(17,11,786)	–
Amortization of placement fees	3,51,20,115	–
	<u>2,86,99,780</u>	<u>–</u>
Deferred tax assets		
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	–	26,88,783
Gratuity provision	–	11,94,183
Accrued income on investments in units of private equity funds	–	22,58,102
	<u>–</u>	<u>61,41,068</u>

NOTE 7 : SHORT - TERM BORROWINGS

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Loan and advance from related party, repayable on demand (unsecured)		
Motilal Oswal Financial Services Limited (Holding Company)	8,98,50,000	3,30,00,000
	<u>8,98,50,000</u>	<u>3,30,00,000</u>

NOTE 8 : TRADE PAYABLES

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Due to:		
MSME (also refer Note 22)	–	–
Other	12,40,836	–
	<u>12,40,836</u>	<u>–</u>

NOTE 9 : OTHER CURRENT LIABILITIES

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Interest accrued and due on borrowings	8,59,710	1,57,451
Other payables		
Statutory dues	13,96,217	57,02,723
Other payables	58,80,493	35,32,370
Advance received from customers	14,20,04,105	10,14,06,985
Accrued salaries and benefits	958	9,02,479
	<u>15,01,41,483</u>	<u>11,17,02,008</u>

NOTES TO FINANCIAL STATEMENT (Contd..)

NOTE 10 : SHORT-TERM PROVISIONS

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Provision for employee benefits		
Ex Gratia payable (also refer note 24)	4,77,95,000	1,90,59,250
Gratuity obligation (also refer note 30)	16,84,701	9,36,856
Heritage obligation (also refer note 30)	39,806	–
Compensated absences (also refer note 24)	2,12,450	1,95,752
Other		
Provision for expenses	16,23,264	7,12,852
	5,13,55,221	2,09,04,710

NOTE 11 :

Current Year

(In ₹)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION/ AMORTISATION				NET BLOCK	
	Balance as at 1-Apr-17	Additions	Deductions	Balance as at 31-Mar-18	Balance as at 1-Apr-17	Additions	Deductions	Balance as at 31-Mar-18	Balance as at 31-Mar-18	Balance as at 31-Mar-17
PROPERTY, PLANT AND EQUIPMENT										
Leasehold improvements	1,02,83,388	–	–	1,02,83,388	1,02,83,358	–	–	1,02,83,358	30	30
Computers	23,69,072	7,38,834	–	31,07,906	21,41,068	4,43,169	–	25,84,237	5,23,669	2,28,004
Furniture and fixtures	23,92,140	–	–	23,92,140	21,74,296	12,663	–	21,86,959	2,05,181	2,17,844
Electrical equipments	23,850	–	–	23,850	896	10,346	–	11,242	12,608	22,954
Office equipments	15,31,124	–	–	15,31,124	13,89,372	42,573	–	14,31,945	99,179	1,41,752
Vehicles	69,50,000	14,50,000	–	84,00,000	23,10,882	32,07,771	–	55,18,653	28,81,347	46,39,118
TOTAL (A)	2,35,49,574	21,88,834	–	2,57,38,408	1,82,99,872	37,16,522	–	2,20,16,394	37,22,014	52,49,702
INTANGIBLE ASSETS										
Computer software	3,76,025	–	–	3,76,025	3,72,207	–	–	3,72,207	3,818	3,818
TOTAL (B)	3,76,025	–	–	3,76,025	3,72,207	–	–	3,72,207	3,818	3,818
TOTAL (A+B)	2,39,25,599	21,88,834	–	2,61,14,433	1,86,72,079	37,16,522	–	2,23,88,601	37,25,832	52,53,520

Previous Year

(In ₹)

Particulars	Gross Block				ACCUMULATED DEPRECIATION/ AMORTISATION				Net Block	
	Balance as at 1-Apr-16	Additions	Deductions	Balance as at 31-Mar-17	Balance as at 1-Apr-16	Additions	Deductions	Balance as at 31-Mar-17	Balance as at 31-Mar-17	Balance as at 31-Mar-16
PROPERTY, PLANT AND EQUIPMENT										
Leasehold improvements	1,02,83,388	–	–	1,02,83,388	83,20,644	19,62,714	–	1,02,83,358	30	19,62,745
Computers	20,24,886	2,79,686	–	23,69,072	19,12,261	1,64,267	–	21,41,068	2,28,004	1,12,625
Furniture and fixtures	21,71,658	2,20,482	–	23,92,140	17,37,933	4,36,363	–	21,74,296	2,17,844	4,33,725
Electrical equipments	–	23,850	–	23,850	–	896	–	896	22,954	–
Office equipments	15,18,684	12,440	–	15,31,124	12,99,981	89,391	–	13,89,372	1,41,752	2,18,703
Vehicles	7,66,518	69,50,000	7,66,518	69,50,000	4,56,596	23,60,185	5,05,899	23,10,882	46,39,118	3,09,922
TOTAL (A)	1,67,65,134	74,86,458	7,66,518	2,35,49,574	1,37,27,415	50,13,816	5,05,899	1,82,99,872	52,49,702	30,37,719
INTANGIBLE ASSETS										
Computer software	3,76,025	–	–	3,76,025	3,41,206	31,001	–	3,72,207	3,818	34,819
TOTAL (B)	3,76,025	–	–	3,76,025	3,41,206	31,001	–	3,72,207	3,818	34,819
TOTAL (A+B)	1,71,41,159	74,86,458	7,66,518	2,39,25,599	1,40,68,621	50,44,817	5,05,899	1,86,72,079	52,53,520	30,72,538

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 12 : NON - CURRENT INVESTMENTS

Particulars	Relationship	No. of Shares / Units		Quoted / Unquoted	Face Value (In ₹ unless stated)	Partly paid / Fully paid	Amount as at (In ₹)	
		31-Mar-18	31-Mar-17				31-Mar-18	31-Mar-17
(A) Non Trade Investments (at cost)								
Investment in Equity instruments								
India Business Excellence Management Company	Subsidiary	40,000	40,000	Unquoted	1 USD	Fully paid	57,83,343	57,83,343
Motilal Oswal Real Estate Investment Advisors Private Limited	Subsidiary	10,00,000	1,00,000	Unquoted	10	Fully paid	1,00,00,000	10,00,000
Aspire Home Finance Corporation Limited	Fellow subsidiary	10	10	Unquoted	1	Fully paid	10	10
Investment in Preference instruments								
8% Non-cumulative preference shares of Motilal Oswal Real Estate Investment Advisors II Private Limited	Step- down subsidiary	24,50,000	49,50,000	Unquoted	10	Fully paid	2,45,00,000	4,95,00,000
Total (A)							4,02,83,353	5,62,3,353
(B) Other investments								
Investment in Equity instruments								
Shubham Housing Development Finance Co. Private Limited	Others	15	15	Unquoted	10	Fully paid	12,663	12,663
Investment in Partnership firm								
India Realty Excellence Fund II LLP								
Opening balance							19,16,87,810	18,94,63,200
Add : Share of profit							2,97,22,739	2,86,27,895
Less : Return/Receipts during the year							(10,43,48,194)	(2,64,03,285)
Closing balance	Associate	2,000	2,000	Unquoted	1,00,000	Fully paid	11,70,62,355	19,16,87,810
Investment in Private equity funds								
India Realty Excellence Fund	Others	200	200	Unquoted	10,457	Fully paid	16,54,357	2,71,47,984
India Business Excellence Fund II	Others	1,35,500	1,35,500	Unquoted	1,000	Fully paid	13,51,19,209	13,51,19,209
Total (B)							25,38,48,584	35,39,67,666
Total (A+B)							29,41,31,937	41,02,51,019

Particulars	As at 31-Mar-18		As at 31-Mar-17	
	Cost (In ₹)	Market Value (In ₹)	Cost (In ₹)	Market Value (In ₹)
Aggregate value of quoted investments and market value	NA	NA	NA	NA
Aggregate value of unquoted investments				
Others	29,41,31,937	NA	41,02,51,019	NA
Aggregate provision for diminution in value of investments	NA	NA	NA	NA

NOTE 13 : LONG - TERM LOANS AND ADVANCES

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Unsecured, considered good		
Rent deposits	1,39,40,853	1,39,40,853
Other loans and advances (unsecured, considered good)		
Prepaid expenses	11,56,01,161	89,45,928
MAT credit receivable	6,04,59,600	1,43,81,569
Advance tax (net of provision)	3,05,13,771	2,57,37,517
	22,05,15,385	6,30,05,867

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 14 : TRADE RECEIVABLES

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Outstanding for a period exceeding 6 months from the date they are due for payment		
Unsecured, considered good	3,13,849	–
Other debts		
Unsecured, considered good	6,34,23,258	18,36,625
	<u>6,37,37,107</u>	<u>18,36,625</u>

NOTE 15 : CASH AND CASH EQUIVALENTS

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Cash and cash equivalents		
Cash on hand	1,06,721	4,27,311
Balance with banks		
In current accounts	3,87,67,570	2,24,51,112
	<u>3,88,74,291</u>	<u>2,28,78,423</u>

NOTE 16 : SHORT - TERM LOANS AND ADVANCES

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Others (unsecured, considered good)		
Indirect tax credit receivable	1,28,30,193	45,68,893
Prepaid expenses	1,45,51,292	13,47,263
Other loans and advances	4,86,000	16,40,400
Loan and advances to employees	1,00,000	30,15,009
	<u>2,79,67,485</u>	<u>1,05,71,565</u>

NOTE 17 : REVENUE FROM OPERATIONS

	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Sale of services (net)		
Advisory fees (including carry income)	21,20,84,208	22,31,84,502
Management fees	15,85,02,980	6,61,14,817
Setup fees	3,42,45,763	–
Recovery of out of pocket expenses	1,62,77,629	30,59,282
Referral fees	20,39,528	13,99,197
	<u>42,31,50,108</u>	<u>29,37,57,798</u>

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 18 : OTHER INCOME

	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Interest income	–	33,46,321
Sub-lease rent income (also refer Note 25(b))	35,34,300	32,31,360
Profit on sale of investment	24,05,154	36,90,390
Interest on income tax refund	–	23,10,604
Partnership gain	2,97,22,739	2,86,27,895
Net gain on foreign currency transactions and translation	10,516	–
Dividend income	53,86,53,039	57,09,42,740
Profit on sale of PPE	–	1,31,844
	<u>57,43,25,748</u>	<u>61,22,81,154</u>

NOTE 19 : EMPLOYEE BENEFITS EXPENSE

	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Salary, bonus and allowances	22,28,05,835	20,23,08,355
Contribution to provident fund (also refer note 30)	24,06,506	18,70,800
Staff welfare expenses	30,17,514	21,95,953
Gratuity and other long-term benefits (also refer note 30)	26,77,952	8,83,930
	<u>23,09,07,807</u>	<u>20,72,59,038</u>

NOTE 20 : FINANCE COST

	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Interest cost	68,17,646	2,75,980
	<u>68,17,646</u>	<u>2,75,980</u>

NOTE 21 (A) : OPERATING EXPENSES

	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Placement fees	4,12,32,354	85,73,931
	<u>4,12,32,354</u>	<u>85,73,931</u>

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 21 (B) : OTHER EXPENSES

	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Rates and taxes	22,744	10,137
Net loss on foreign currency transactions and translation	–	47,491
Rent (also refer Note 25(a))	2,79,16,551	2,19,90,929
Insurance	2,51,583	2,58,190
Computer repairs and maintenance	1,15,556	45,701
Legal and professional charges	2,30,64,841	1,39,25,305
Auditor's remuneration (also refer Note 23)	3,22,245	3,23,256
Marketing and brand promotion expenses	14,91,442	15,48,723
Printing and stationery	19,78,426	11,86,521
Power and fuel	32,87,599	30,92,342
Meeting and seminar expense	5,99,536	–
Communication expenses	5,22,937	11,85,115
Travelling expenses	1,07,44,283	1,05,44,151
Miscellaneous expenses	71,70,132	53,15,595
Corporate social responsibility (also refer Note 32)	21,00,644	28,74,000
Donation	–	1,00,000
	7,95,88,519	6,24,47,456

NOTE 22 : DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

There are no micro, small and medium enterprises to whom the Company owes dues, which are outstanding for more than forty five days as at the Balance Sheet date. The micro, small and medium enterprises have been identified on the basis of the information provided by the vendors to the Company. Further, no interest during the year has been paid or payable in respect thereof.

NOTE 23 : AUDITOR'S REMUNERATION (EXCLUDING TAXES) HAS BEEN CLASSIFIED AS UNDER

Particulars	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
As Auditors:		
Statutory audit	3,13,425	2,55,000
Out of pocket expenses	8,820	8,256
Others	–	60,000
	3,22,245	3,23,256

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 24 :

Provisions made comprises of for the year ended 31 March 2018

(In ₹)

Particulars	Opening balance as at 1-Apr-17	Provided during the financial year	Provision reversed/paid during the financial year	Closing balance as at 31-Mar-18
Ex-Gratia	1,90,59,250	16,61,60,750	13,74,25,000	4,77,95,000
Gratuity obligation	40,11,707	25,59,615	7,48,076	58,23,246
Compensated absences	1,95,752	6,15,403	5,98,705	2,12,450
Heritage obligation	1,29,011	–	10,674	1,18,337
	2,33,95,720	16,93,35,768	13,87,82,455	5,39,49,033

Provisions made comprises of for the year ended 31 March 2017

(In ₹)

Particulars	Opening balance as at 1-Apr-17	Provided during the financial year	Provision reversed/paid during the financial year	Closing balance as at 31-Mar-18
Ex-gratia	3,86,75,000	14,78,19,200	16,74,34,950	1,90,59,250
Gratuity	37,93,325	7,54,919	5,36,537	40,11,707
Compensated absences	3,75,793	1,95,752	3,75,793	1,95,752
Heritage club	–	1,29,011	–	1,29,011
	4,28,44,118	14,88,98,882	16,83,47,280	2,33,95,720

NOTE 25 : OPERATING LEASES

(a) As lessee

The Company has entered into one cancellable operating lease for office premises. However, the management has not entered into any non-cancellable lease agreement.

General description of lease terms: (in respect of assets taken on lease under cancellable operating lease)

- Lease rentals are paid on the basis of agreed terms
- Office premises are taken on lease for a period of 3 years
- Agreement is cancellable, by giving prior notice of 30 days by either of the parties

Particulars

	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Lease payments recognised in the Statement of Profit and Loss under the head "Rent"	2,79,16,551	2,19,90,929

(b) As lessor

- The Company has given office premises on sub lease for the period of 5 years.
- Sub Lease expected to be received under non-cancellable sub lease as at 31 March 2018 is ₹ Nil (Previous year: ₹ Nil).
- Sub lease rent income:

During the year, ₹ 35,34,300 (Previous year ₹ 32,31,360) has been recognised as Sub-lease rent income in the Statement of Profit and Loss under the head "Other Income"

NOTE 26 : EARNINGS PER EQUITY SHARE

Particulars

	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Profit attributable to equity shareholders (In ₹) [A]	51,09,73,174	50,45,79,634
Nominal value per share (in ₹)	10	10
Weighted average number of equity shares outstanding during the year [B]	58,825	58,825
Basic and Diluted earnings per share [A] / [B] (In ₹)	8,686.33	8,577.64

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 27 : SEGMENT INFORMATION

The Company's principal activity is asset management and advisory services. As the Company's business falls within a single primary business segment, the financial statement are reflective of the information required by Accounting Standard – 17 "Segment Reporting".

NOTE 28 : TRANSACTIONS IN FOREIGN CURRENCY

Particulars	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
(i) Earnings in foreign currency (on accrual basis)		
Advisory fee - carry income	9,66,76,000	10,43,56,500
Advisory fees	11,54,08,208	12,10,01,430
Dividend income	53,86,53,039	57,09,42,740
Total	75,07,37,247	79,63,00,670
(ii) Expenditure in foreign currency (on accrual basis)		
Travelling expenses	10,93,547	6,76,285
Marketing and brand promotion expenses	–	3,79,812
Total	10,93,547	10,56,097

NOTE 29 : CONTINGENT LIABILITIES AND COMMITMENTS TO THE EXTENT NOT PROVIDED FOR

Particulars	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Contingent liabilities:		
(a) Demand in respect of Income tax matters for which appeal is pending (Refer note (i))	12,74,179	–
	12,74,179	–
Commitments:		
(a) Uncalled liability on shares and other investments partly paid:		
(1) India Realty Excellence Fund II	–	2,15,73,453
	–	2,15,73,453

Note:

- (i) Demand in respect of Income tax matters for which appeal is pending is ₹ 12,74,179 (Previous Year ₹ Nil). This is disputed by the Company and hence not provided for in the books of accounts. Above liability does not include interest u/s 234 B and 234 C of Income Tax Act, 1961 as the same depends on the outcome of the demand/appeal.

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 provided for 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..)*

NOTE 30 : EMPLOYEE BENEFITS

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

Defined contribution plan:

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

Particulars	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Employers' contribution to provident fund	24,06,506	18,70,800

Defined benefit plan:

The Company provides for gratuity benefit which is a defined benefit plan covering all its eligible employees. This plan is unfunded. The gratuity benefits are subject to a maximum limit of upto ₹ 20,00,000. The following table set out the status of the gratuity plan as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended) under Accounting Standard 15 "Employee benefits" and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

(In ₹)

Particulars	Gratuity (unfunded)		Other long-term benefits (unfunded)	
	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17
I) Actuarial assumptions				
Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Discount Rate (per annum)	6.85%	6.96%	6.85%	6.69%
Rate of escalation in salary (per annum)	8.72%	11.00%	–	–
Expected rate of return on plan assets (per annum)	–	–	–	–
Employee Attrition Rate (Past Service)	PS: 0 to 37 : 22.98%	PS: 0 to 37 : 18.4%	PS: 0 to 40 : 28%	PS: 0 to 37 : 28% to 28.16%
Expected average remaining service (in years)	3.30	4.28	2.54 to 2.55	2.52 to 6.77
II) Changes in present value of defined benefit obligations (PVO)				
Liability at the beginning of year	40,11,707	37,93,325	–	–
Interest cost	2,43,360	2,64,027	–	–
Current service cost	7,22,198	5,59,110	1,18,337	1,29,011
Past service cost - (non vested benefits)	1,966	–	–	–
Past service cost - (vested benefits)	19,16,561	–	–	–
Unrecognised past service cost - non vested benefits	(1,311)	–	–	–
Benefits paid	(7,48,076)	(5,36,537)	–	–
Actuarial loss on obligation	(3,23,159)	(68,218)	–	–
Liability at the end of year	58,23,246	40,11,707	1,18,337	1,29,011
III) Changes in fair value of plan assets				
Fair value of plan assets at beginning of year	–	–	–	–
Expected return on plan assets	–	–	–	–
Contributions	7,48,076	5,36,537	–	–
Benefit paid	(7,48,076)	(5,36,537)	–	–

NOTES TO FINANCIAL STATEMENT *(Contd..)*

(In ₹)

Particulars	Gratuity (unfunded)		Other long-term benefits (unfunded)	
	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17
Actuarial Gain/(Loss) on plan assets	–	–	–	–
Fair Value of Plan Assets at end of year	–	–	–	–
IV) Expense recognised in the statement of profit and loss				
Current service cost	7,22,198	5,59,110	1,18,337	1,29,011
Interest cost	2,43,360	2,64,027	–	–
Past service cost - (non vested benefits)	1,966	–	–	–
Past service cost - (vested benefits)	19,16,561	–	–	–
Unrecognised past service cost - non vested benefits	(1,311)	–	–	–
Expected return on plan assets	–	–	–	–
Actuarial loss on obligation	(3,23,159)	(68,218)	–	–
Expense recognized in the statement of profit and loss	25,59,615	7,54,919	1,18,337	1,29,011
V) Movement in liability recognized in balance sheet				
Opening net liability	40,11,707	37,93,325	–	–
Expenses as above	25,59,615	7,54,919	1,18,337	1,29,011
Contribution paid	(7,48,076)	(5,36,537)	–	–
Closing net liability	58,23,246	40,11,707	1,18,337	1,29,011
Particulars	Gratuity (unfunded)		Other long term benefits	
	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17
VI) Disclosure in balance sheet				
Current liability	16,84,701	9,36,856	39,806	–
Non - current liability	41,38,545	30,74,851	78,531	1,29,011
VII) Past service cost recognised				
Past service cost - (non vested benefits)	1,966	–	–	–
Past service cost - (vested benefits)	19,16,561	–	–	–
Average remaining future service till vesting of the benefit	3 years	–	–	–
Recognised past service cost - non vested benefits	655	–	–	–
Recognised past service cost - vested benefits	19,16,561	–	–	–
Unrecognised past service cost - non vested benefits	1,311	–	–	–

Experience history of last five years in case of other long term benefits is not applicable since, provision has been made from financial year ended 31 March 2017

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Particulars	Gratuity (unfunded)				
	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17	For the Year ended 31-Mar-16	For the Year ended 31-Mar-15	For the Year ended 31-Mar-14
VIII) Experience adjustment					
Loss on obligation due to change in assumption	(2,81,441)	2,34,322	(1,46,279)	4,62,267	(9,16,988)
Experience loss on obligation	(41,718)	(3,02,540)	1,64,642	(8,92,304)	41,281

NOTE 31 : RELATED PARTY DISCLOSURE

(i) Relationships during the year

Ultimate Holding Company

- Passionate Investment Management Private Limited

Holding Company

- Motilal Oswal Financial Services Limited

Subsidiaries

- Motilal Oswal Real Estate Investment Advisors Private Limited
- India Business Excellence Management Company

Step-down subsidiaries

- Motilal Oswal Real Estate Investment Advisors II Private Limited

Fellow subsidiaries

- Motilal Oswal Capital Markets Limited (formerly known as Motilal Oswal Capital Markets Private Limited)
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Fincap Private Limited (Formerly known as Insurance Brokers Private Limited)
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Asset Management Company Limited
- Motilal Oswal Investment Advisory Limited
- Motilal Oswal Securities Limited
- Motilal Oswal Wealth Management Limited
- Motilal Oswal Securities International Private Limited
- Motilal Oswal Capital Market (Hongkong) Private Limited
- Motilal Oswal Capital Markets (Singapore) Pte. Limited
- Aspire Home Finance Corporation Limited
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Motilal Oswal Capital Limited
- Nagori Agro & Cattle Feeds Private Limited

Associates

- India Realty Excellence Fund II LLP

Enterprises in which key management personnel have control

- OSAG Enterprises LLP

Key management personnel

- Motilal Oswal - Director
- Raamdeo Agarawal – Director
- Vishal Tulsyan – CEO and MD

Enterprises in which key management personnel and their relatives exercise significant Influence

- Motilal Oswal Foundation

NOTES TO FINANCIAL STATEMENT (Contd..)

(ii) Transactions with related parties

(In ₹)

Nature of transaction	Name of the related party	Holding Company / Subsidiary Company / Fellow Subsidiary (A)		Key Managerial Personnel / Relative of KMP / Other entities (B)		Associate (C)		Total (A+B+C)	
		For the Year ended 31-Mar-18	For the Year ended 31-Mar-17	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17
Marketing and brand promotion expenses	Motilal Oswal Wealth Management Limited	3,00,000	-	-	-	-	-	3,00,000	-
Referral Fees (Income)	Motilal Oswal Wealth Management Limited	(20,39,528)	(13,99,197)	-	-	-	-	(20,39,528)	(13,99,197)
Partnership gain	India Realty Excellence Fund II LLP	-	-	-	-	2,97,22,739	2,86,27,895	2,97,22,739	2,86,27,895
Placement fees	Motilal Oswal Wealth Management Limited	5,40,75,000	301,500	-	-	-	-	5,40,75,000	3,01,500
	Motilal Oswal Securities Limited	3,04,05,000	-	-	-	-	-	3,04,05,000	-
	Motilal Oswal Financial Services Limited	2,81,18,644	-	-	-	-	-	2,81,18,644	-
Setup fees expenses (included in Placement fees in Note 21(a))	Motilal Oswal Wealth Management Limited	47,88,136	-	-	-	-	-	47,88,136	-
	Motilal Oswal Securities Limited	2,52,20,338	-	-	-	-	-	2,52,20,338	-
Advisory fees (Income)	India Business Excellence Management Company	(21,20,84,208)	(22,29,85,050)	-	-	-	-	(21,20,84,208)	(22,29,85,050)
PMS Sharing Expense	Motilal Oswal Securities Limited	-	59,62,966	-	-	-	-	-	59,62,966
	Motilal Oswal Wealth Management Limited	-	12,62,486	-	-	-	-	-	12,62,486
Interim dividend paid	Motilal Oswal Financial Services Limited	45,78,43,638	48,52,80,320	-	-	-	-	45,78,43,638	48,52,80,320
	Vishal Tulsyan	-	-	5,81,00,372	6,15,82,073	-	-	5,81,00,372	6,15,82,073
Interest expense	Motilal Oswal Financial Services Limited	68,17,646	2,75,967	-	-	-	-	68,17,646	2,75,967
Interest (Income)	Motilal Oswal Real Estate Investment Advisors II Private Limited	-	(10,30,548)	-	-	-	-	-	(10,30,548)
Rent (Income)	Motilal Oswal Real Estate Investment Advisors II Private Limited	(35,34,300)	(32,31,360)	-	-	-	-	(35,34,300)	(32,31,360)
Rent Expense	Motilal Oswal Financial Services Limited	2,78,81,700	2,18,81,505	-	-	-	-	2,78,81,700	2,18,81,505
Dividend (Income)	India Business Excellence Management Company	(53,86,53,039)	(57,09,42,740)	-	-	-	-	(53,86,53,039)	(57,09,42,740)
Reimbursement of expense	Motilal Oswal Financial Services Limited	-	5,73,694	-	-	-	-	-	5,73,694
	Motilal Oswal Securities Limited	-	47,89,526	-	-	-	-	-	47,89,526
Corporate social responsibility expense	Motilal Oswal Foundation	-	-	21,00,644	26,00,000	-	-	21,00,644	26,00,000
Loan (taken)	Motilal Oswal Financial Services Limited	(57,23,50,000)	(15,79,67,547)	-	-	-	-	(57,23,50,000)	(15,79,67,547)
Repayment of loan taken	Motilal Oswal Financial Services Limited	51,55,00,000	125,095,840	-	-	-	-	51,55,00,000	125,095,840
Repayment of loan given	Motilal Oswal Real Estate Investment Advisors II Private Limited	-	(50,015,861)	-	-	-	-	-	(50,015,861)
Loan (taken)/ given (maximum balance)	Motilal Oswal Financial Services Limited	(11,50,50,000)	(3,90,00,000)	-	-	-	-	(11,50,50,000)	(3,90,00,000)
	Motilal Oswal Real Estate Investment Advisors II Private Limited	-	5,00,15,861	-	-	-	-	-	5,00,15,861
Managerial remuneration	Vishal Tulsyan	-	-	1,13,58,251	3,09,31,552	-	-	1,13,58,251	3,09,31,552

Outstanding balances:

(In ₹)

Nature of balances	Name of the related party	Holding Company / Subsidiary Company / Fellow Subsidiary (A)		Key Managerial Personnel / Relative of KMP (B)		Associate (C)		Total (A+B+C)	
		As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-18	As at 31-Mar-17
Short-term borrowings	Motilal Oswal Financial Services Limited	(8,98,50,000)	(3,30,00,000)	-	-	-	-	(8,98,50,000)	(3,30,00,000)
Interest accrued and due on borrowings	Motilal Oswal Financial Services Limited	(8,59,710)	(1,57,451)	-	-	-	-	(8,59,710)	(1,57,451)

NOTES TO FINANCIAL STATEMENT *(Contd..)*

(In ₹)

Nature of balances	Name of the related party	Holding Company / Subsidiary Company / Fellow Subsidiary (A)		Key Managerial Personnel / Relative of KMP (B)		Associate (C)		Total (A+B+C)	
		As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-18	As at 31-Mar-17
		Trade payable/ receivable	Motilal Oswal Financial Services Limited	(5,43,336)	-	-	-	-	-
	India Business Excellence Management Company	(82,28,684)	(10,14,06,985)	-	-	-	-	(82,28,684)	(10,14,06,985)
	Motilal Oswal Wealth Management Limited	4,88,781	1,55,400	-	-	-	-	4,88,781	1,55,400
Other payables	Motilal Oswal Securities Limited	(15,03,507)	(17,15,414)	-	-	-	-	(15,03,507)	(17,15,414)
Rent deposit receivable	Motilal Oswal Financial Services Limited	1,39,40,853	1,39,40,853	-	-	-	-	1,39,40,853	1,39,40,853

Outstanding balance in respect of Investment in related parties:

(In ₹)

Nature of balances	Name of the related party	Holding Company / Subsidiary Company / Fellow Subsidiary (A)		Key Managerial Personnel / Relative of KMP (B)		Associate (C)		Total (A+B+C)	
		As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-18	As at 31-Mar-17	As at 31-Mar-18	As at 31-Mar-17
		Investment	India Business Excellence Management Company	57,83,343	57,83,343	-	-	-	-
	Motilal Oswal Real Estate Investment Advisors Private Limited	1,00,00,000	10,00,000	-	-	-	-	1,00,00,000	10,00,000
	Aspire Home Finance Corporation Limited	10	10	-	-	-	-	10	10
	Motilal Oswal Real Estate Investment Advisors II Private Limited	2,45,00,000	4,95,00,000	-	-	-	-	2,45,00,000	4,95,00,000
	India Realty Excellence Fund II LLP			-	-	11,70,62,355	19,16,87,810	11,70,62,355	19,16,87,810

Note: Income/receipts and payables are shown in brackets.

NOTE 32 : CORPORATE SOCIAL RESPONSIBILITY

The Ministry of Corporate Affairs has notified Section 135 of the Companies Act, 2013 on Corporate Social Responsibility with effect from 1 April 2014. As per the provisions of the said section, the Company has undertaken the following CSR initiatives during the financial year 2017-18.

CSR initiatives majorly includes supporting under privileged in education, medical treatments, etc. and various other charitable and noble aids.

- Gross amount required to be spent by the company during the year is ₹ 17,50,537 (Previous year : 27,42,702)
- Amount spent during the year

Particulars (current year)

Construction / acquisition of any assets
On purposes other than above

Amount paid (In ₹)	Amount yet to be paid (In ₹)	Total (In ₹)
-	-	-
21,00,644	-	21,00,644

Particulars (current year)

Construction / acquisition of any assets
On purposes other than above

Amount paid (In ₹)	Amount yet to be paid (In ₹)	Total (In ₹)
-	-	-
28,74,000	-	28,74,000

Above includes a contribution of ₹ 21,00,644 (Previous year ₹ 25,00,000) to Motilal Oswal Foundation which is classified as related party under Accounting Standard 18- " Related party disclosures".

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 33 :

The Company has submitted the request for cancellation/surrender of SEBI registration for Investment Advisors vide letter dated 23 December 2016 which has been approved by the Board of Directors. The SEBI approval for the same is awaited.

NOTE 34 :

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

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

Sudhir N. Pillai
Partner
Membership No : 105782

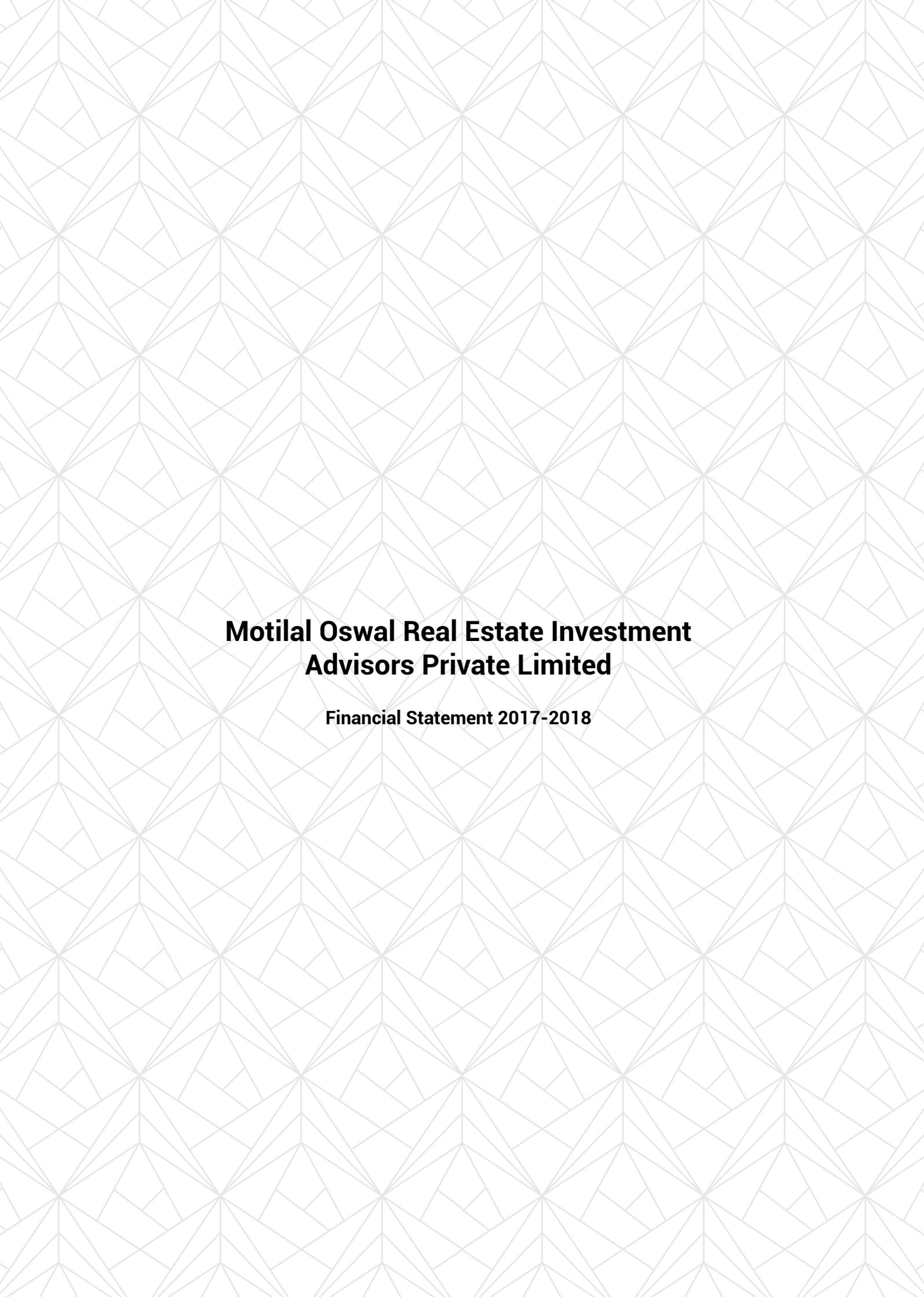
Place : Mumbai
Date : 21 May 2018

For and on behalf of the Board of Directors
MOPE Investment Advisors Private Limited

Vishal Tulsyan
Managing Director & Chief Executive Officer
DIN No. 00139754

Place : Mumbai
Date : 21 May 2018

Motilal Oswal
Director
DIN No. 00024503



**Motilal Oswal Real Estate Investment
Advisors Private Limited**

Financial Statement 2017-2018

INDEPENDENT AUDITORS' REPORT

To the Members of MOTILAL OSWAL REAL ESTATE INVESTMENT ADVISORS PRIVATE LIMITED

Report on the Financial Statement

1. We have audited the accompanying financial statement of Motilal Oswal Real Estate Investment Advisors Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its loss and its cash flows for the year ended on that date.

Other Matter

9. The financial statement of the Company for the year ended 31 March 2017 were audited by predecessor auditor of the Company, whose report dated 26 April 2017, expressed an unmodified opinion on those statements.

Report on Other Legal and Regulatory Requirements

10. 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.
11. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

INDEPENDENT AUDITORS' REPORT *(Contd..)*

- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. the financial statement dealt with by this report are in agreement with the books of account;
- d. in our opinion, the aforesaid financial statement comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the financial statement of the Company for the year ended on that date and our report dated 21 May 2018 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 does not have any pending litigation which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these financial statement. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per Sudhir N. Pillai

Partner

Membership No.: 105782

Place: Mumbai

Date: 21 May 2018

ANNEXURE I

To the Independent Auditor's Report of even date to the Members of Motilal Oswal Real Estate Investment Advisors Private Limited, on the Financial Statement for the year ended 31 March 2018

ANNEXURE I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statement 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) The Company does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.
- (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 not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
(b) There are no dues in respect of income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (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) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.
- (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 Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statement, as required by the applicable accounting standards. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per Sudhir N. Pillai

Partner

Membership No.: 105782

Place: Mumbai

Date: 21 May 2018

BALANCE SHEET

BALANCE SHEET AS AT MARCH 31, 2018

	Note No.	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	1,00,00,000	10,00,000
(b) Reserves and surplus	4	(86,09,375)	(74,57,248)
		13,90,625	(64,57,248)
2. Current liabilities			
(a) Short-term borrowings	5	–	62,67,298
(b) Other current liabilities	6	34,973	7,62,937
(c) Short-term provisions	7	–	99,750
		34,973	71,29,985
		14,25,598	6,72,737
II. ASSETS			
1. Non-current assets			
(a) Non-current investments	8	1,49,310	1,87,993
(b) Long-term loans and advances	9	86,168	90,032
		2,35,478	2,78,025
2. Current assets			
(a) Cash and bank balances	10	11,88,490	3,88,787
(b) Short-term loans and advances	11	1,630	5,925
		11,90,120	3,94,712
		14,25,598	6,72,737

The accompanying notes 1 to 24 form an integral part of the financial statement

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

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Place : Mumbai
Date : 21 May 2018

For and on behalf of the Board of Directors
Motilal Oswal Real Estate Investment Advisors Private Limited

Motilal Oswal
Director
DIN No. 00024503

Vishal Tulsyan
Director
DIN No. 00139754

Place : Mumbai
Date : 21 May 2018

STATEMENT OF PROFIT AND LOSS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Note No.	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
REVENUE			
(a) Other income	12	16,479	18,573
TOTAL REVENUE		16,479	18,573
EXPENSES			
(a) Employee benefits expense	13	–	14,59,517
(b) Finance cost	14	8,92,031	8,19,479
(c) Other expenses	15	2,68,997	1,71,084
		11,61,028	24,50,080
(Loss) before tax		(11,44,549)	(24,31,507)
Tax expenses			
(a) Current tax		–	–
(b) Deferred tax		–	–
(c) Income tax for earlier years		7,578	2,940
		7,578	2,940
(Loss) after tax		(11,52,127)	(24,34,447)
(Losses) per equity share	20		
Basic and diluted		(10.26)	(24.34)

The accompanying notes 1 to 24 form an integral part of the financial statement

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

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

Sudhir N. Pillai
Partner
Membership No.: 105782

Place : Mumbai
Date : 21 May 2018

For and on behalf of the Board of Directors
Motilal Oswal Real Estate Investment Advisors Private Limited

Motilal Oswal
Director
DIN No. 00024503

Vishal Tulsyan
Director
DIN No. 00139754

Place : Mumbai
Date : 21 May 2018

CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before tax	(11,44,549)	(24,31,507)
Adjustment for		
Interest expense	8,92,031	8,19,479
Partnership gain from IREF II LLP	(16,479)	(18,563)
Operating (loss) before working capital changes	(2,68,997)	(16,30,591)
Changes in working capital		
Increase/(Decrease) other long-term provision	–	(1,39,380)
Increase/(Decrease) in other current liabilities	9,567	(35,099)
Increase/(Decrease) short-term provision	(99,750)	(3,82,659)
(Increase)/Decrease in short-term loans and advances	2,724	(1,219)
(Increase)/Decrease in long-term loans and advances	4,390	(39,558)
Net changes in working capital	(83,069)	(597,915)
Cash (used in) operating activities	(3,52,066)	(22,28,506)
Income taxes paid (net of refunds)	(6,532)	(5,799)
Net cash flow (used in) operating activities	(3,58,598)	(22,34,305)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in subsidiary	–	(10)
Partnership gain from IREF II LLP	16,479	18,563
Return from IREF II LLP	38,683	324
Net cash flow generated from investing activities	55,162	18,877
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loan taken	19,20,000	26,50,000
Loan repaid	(81,87,298)	–
Proceeds from issue of equity shares	90,00,000	–
Interest paid	(16,29,563)	(81,948)
Net cash flow generated from financing activities	11,03,139	25,68,052
Net increase in cash and cash equivalents {(A) + (B) + (C)}	7,99,703	3,52,624
Cash and cash equivalents as at beginning of the year	3,88,787	36,163
Cash and cash equivalents as at end of the year (also refer note 10)	11,88,490	3,88,787

Notes:

- (i) The above cash flow statement has been prepared under indirect method as set out in Accounting Standard 3, 'Cash Flow Statements', as specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Account) Rules, 2014 (as amended).
- (ii) Figures in brackets indicate cash outflows.

The accompanying notes 1 to 24 form an integral part of the financial statement

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

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sudhir N. Pillai

Partner

Membership No.: 105782

Place : Mumbai

Date : 21 May 2018

For and on behalf of the Board of Directors

Motilal Oswal Real Estate Investment Advisors Private Limited

Motilal Oswal

Director

DIN No. 00024503

Place : Mumbai

Date : 21 May 2018

Vishal Tulsyan

Director

DIN No. 00139754

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1 : BACKGROUND

Motilal Oswal Real Estate Investment Advisors Private Limited (the Company) was incorporated on 13 September 2013. The principal shareholder of the Company is MOPE Investment Advisors Private Limited.

The Company is the Managing Partner of India Realty Excellence Fund II LLP (Fund), where it has the exclusive powers to manage and cause the Fund Activities to be managed for and on behalf of the Fund, in accordance with the LLP Agreement dated 29 January 2014 entered between Fund, the Company and Motilal Oswal Securities Limited. It shall also recommend the portfolio investments and divestments to the Investment Committee of the fund, which will be responsible for the investment and divestment decisions of the Fund. All the powers and authority conferred upon the Company under the LLP Agreement shall be exercised at its discretion without requiring any further consent or approval of the other partners.

Basis of preparation of financial statement

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

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

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

(a) Use of estimates

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

(b) Investments

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

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

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

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

(c) Revenue recognition

Revenue is recognized when there is reasonable certainty of its ultimate realization/collection.

– Share of profit/loss of LLP

Profit and loss from partnership firm are accounted on accrual basis and as per terms of partnership LLP agreement dated 29 January 2014, entered between IREF II LLP, the Company and Motilal Oswal Securities Limited.

(d) Employee benefits

Short-term employment benefits

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.

Post-employment benefits

Defined contribution plan:

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

Defined benefits plan:

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognized in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognized actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognized immediately in the Statement of Profit and Loss.

Other long-term benefits

Other long-term benefits consist of heritage club benefits, which are recognized as liability at the present value of defined benefits obligation as at the Balance Sheet date. The defined obligation benefit is calculated at the Balance Sheet date by an independent actuary using the projected unit credit method.

Compensated absences

As per the policy of Company, an employee can carry forward maximum 10 days of leave to next financial year. No leave is allowed to be encashed. An obligation arises as employees render service that increase their entitlement to future compensated absences. Provision is made for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

Ex-gratia (bonus)

The Company recognizes the costs of bonus payments when it has a present obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

(e) Operating leases

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

Operating lease rentals are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease period on accrual basis as per the terms of agreement with counter parties.

(f) Taxation

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

Current tax

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

Minimum Alternate Tax

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

Deferred tax

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

(g) Earnings/(losses) per share

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

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

(h) Provisions and Contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

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

(i) Cash and cash equivalents

Cash and cash equivalents in Balance Sheet comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(j) Borrowing costs

General and specific borrowing cost directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in Statement of Profit and Loss in the period in which they are incurred.

NOTE 3 : SHARE CAPITAL

	As at 31-Mar-18		As at 31-Mar-17	
	Number of Shares	(In ₹)	Number of Shares	(In ₹)
Authorised				
Equity Shares of ₹ 10 each (Previous year ₹ 10 each)	10,00,000	1,00,00,000	1,00,000	10,00,000
TOTAL	10,00,000	1,00,00,000	1,00,000	10,00,000
Issued, Subscribed and Paid up				
Equity Shares of ₹ 10 each fully paid up (Previous year ₹ 10 each)	10,00,000	1,00,00,000	1,00,000	10,00,000
TOTAL	10,00,000	1,00,00,000	1,00,000	10,00,000

NOTES TO FINANCIAL STATEMENT *(Contd..)*

3.1 Rights of shareholders

The Company has one class of shares referred to as equity shares having a par value of ₹ 10 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.

3.2 Reconciliation of number of shares outstanding

	As at 31-Mar-18		As at 31-Mar-17	
	Number of Shares	(In ₹)	Number of Shares	(In ₹)
At the beginning of the year	1,00,000	10,00,000	1,00,000	10,00,000
Additions during the year	9,00,000	90,00,000	—	—
At the end of the year	10,00,000	1,00,00,000	1,00,000	10,00,000

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

Name of shareholder	As at 31-Mar-18		As at 31-Mar-17	
	Number of shares held	% of holding	Number of shares held	% of holding
MOPE Investment Advisors Private Limited and its Nominee	10,00,000	100%	1,00,000	100%

3.4 Shares held by holding company

Name of shareholder	As at 31-Mar-18		As at 31-Mar-17	
	Number of shares held	% of holding	Number of shares held	% of holding
MOPE Investment Advisors Private Limited and its Nominee	10,00,000	100%	1,00,000	100%

NOTE 4 : RESERVES AND SURPLUS

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Statement of Profit and Loss		
Balance at beginning of the year	(74,57,248)	(50,22,801)
Add: Transfer from Statement of Profit and Loss	(11,52,127)	(24,34,447)
Balance at the end of year	(86,09,375)	(74,57,248)

NOTE 5 : SHORT - TERM BORROWINGS

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Loan from related party, repayable on demand (Unsecured)		
Motilal Oswal Financial services Limited (Intermediate Holding Company)	—	62,67,298
	—	62,67,298

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 6 : OTHER CURRENT LIABILITIES

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Withholding and other taxes payable	2,006	15,239
Creditors for expenses (also refer note 16)	32,967	10,167
Interest due and accrued on unsecured loan	—	7,37,531
	<u>34,973</u>	<u>7,62,937</u>

NOTE 7 : SHORT - TERM PROVISIONS

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Other provisions	—	99,750
Provision for expenses	—	99,750
	<u>—</u>	<u>99,750</u>

NOTE 8 : NON-CURRENT INVESTMENTS

(In ₹)

Sr. No.	Particulars	Relationship	Number of Shares / Units		Quoted / Unquoted	Partly paid / Fully paid	Amount (In Rupees)	
			31-Mar-18	31-Mar-17			31-Mar-18	31-Mar-17
1	Investment in equity shares							
	Motilal Real Estate Investment Advisors II Private Limited	Subsidiary	9,000	9,000	Unquoted	Fully paid-up	90,000	90,000
2	Investment in Partnership Firm							
	Investment in IREF II LLP							
	Opening balance						97,993	98,317
	Add : Share of Profit						16,479	18,563
	Less : Return/Receipts during the year						(55,162)	(18,887)
	Closing balance		1	1	Unquoted	Fully paid-up	59,310	97,993
	TOTAL						1,49,310	1,87,993

Particulars	As at 31-Mar-18 (In ₹)		As at 31-Mar-17 (In ₹)	
	Cost	Market Value	Cost	Market Value
Aggregate value of quoted investments and market value	NA	NA	NA	NA
Aggregate value of unquoted investments				
Others	1,49,310	NA	1,87,993	NA
Aggregate provision for diminution in value of investments	NA	NA	NA	NA

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 9 : LONG - TERM LOANS AND ADVANCES

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Other loans and advances (Unsecured, considered good)		
Prepaid expenses	–	1,428
Balances with government authorities	86,168	88,605
	<u>86,168</u>	<u>90,032</u>

NOTE 10 : CASH AND BANK BALANCES

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Cash and cash equivalents		
Cash on hand	20,000	2,00,000
Balance with banks		
In current accounts	11,68,490	1,88,787
	<u>11,88,490</u>	<u>3,88,787</u>

NOTE 11 : SHORT - TERM LOANS AND ADVANCES

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Other loans and advances (Unsecured, considered good)		
Prepaid expenses	1,630	4,354
Advance tax and TDS receivable	–	1,571
	<u>1,630</u>	<u>5,925</u>

NOTE 12 : OTHER INCOME

	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Share of profit from IREF II LLP (also refer note 8)	16,479	18,563
Miscellaneous Income	–	10
	<u>16,479</u>	<u>18,573</u>

NOTE 13 : EMPLOYEE BENEFITS EXPENSE YEAR ENDED

	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Salary, bonus and allowances	–	14,13,326
Gratuity	–	30,191
Staff welfare expenses	–	16,000
	<u>–</u>	<u>14,59,517</u>

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 14 : FINANCE COST

	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Interest cost	8,92,031	8,19,479
	<u>8,92,031</u>	<u>8,19,479</u>

NOTE 15 : OTHER EXPENSES

	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Auditor's remuneration (also refer note 17)	27,550	94,026
Legal and professional charges	2,06,777	49,754
Rent (also refer note 19)	12,015	12,060
Rates and taxes	16,583	6,484
Miscellaneous expenses	6,072	8,760
	<u>2,68,997</u>	<u>1,71,084</u>

NOTE 16 : DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than forty five days as at the Balance Sheet date. The Micro, Small and Medium Enterprises have been identified on the basis of the information provided by the vendors to the Company.

Further, no interest during the year has been paid or payable in respect thereof.

NOTE 17 : AUDITOR'S REMUNERATION (EXCLUDING TAXES) HAS BEEN CLASSIFIED AS UNDER

Particulars	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
As Auditors:		
Statutory audit	27,550	90,000
Out of pocket expenses	–	4,026
TOTAL	<u>27,550</u>	<u>94,026</u>

NOTE 18 : PROVISIONS MADE COMPRISES OF

For the year ended 31 March 2018

Not applicable since no movement between 1 April 2017 and 31 March 2018.

For the year ended 31 March 2017

(In ₹)

Particulars	Opening balance as at 01 April 2016	Provided during the financial year	Provision reversed/paid during the financial year	Closing balance as at 31 March 2017
Ex-gratia	2,75,000	–	2,75,000	–
Gratuity	1,89,039	30,191	2,19,230	–
TOTAL	4,64,039	30,191	4,94,230	–

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 19 : OPERATING LEASES

The Company has entered into one cancellable operating lease for office premises. However, the management has not entered into any non-cancellable lease agreement.

General description of lease terms: (in respect of assets taken on lease under cancellable operating lease)

- i. Lease rentals are paid on the basis of agreed terms
- ii. Office premises are taken on lease for a period of 5 years
- iii. Agreement is cancellable, by giving prior notice of 30 days by either of the parties

Particulars	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Lease payments recognised in the Statement of Profit and Loss under the head "Rent"	12,015	12,060

NOTE 20 : LOSSES PER SHARE

Particulars	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17
(Loss) attributable to equity shareholders (In ₹) [A]	(11,52,127)	(24,34,447)
Nominal value per share (in ₹)	10	10
Weighted average number of equity shares outstanding during the year [B]	1,12,329	1,00,000
Basic and Diluted (losses) per share [A] / [B] (In ₹)	(10.26)	(24.34)

NOTE 21 : SEGMENT INFORMATION

The Company is currently engaged in single business segment of Advising and managing real estate funds. As the Company's business falls within a single primary business segment, the financial statement are reflective of the information required by Accounting Standard – 17 "Segment Reporting".

NOTE 22 : EMPLOYEE BENEFITS

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

The Company did not have any employees during the year ended 31 March 2018 and 31 March 2017. Hence, the disclosure requirements are not applicable.

NOTE 23 : RELATED PARTY DISCLOSURE

(A) List of related parties and their relationship

(i) Ultimate holding company

- Passionate Investment Management Private Limited

(ii) Intermediate holding company

- Motilal Oswal Financial Services Limited

(iii) Holding company

- MOPE Investment Advisors Private Limited

(iv) Fellow subsidiaries

- Motilal Oswal Capital Markets Limited (formerly known as Motilal Oswal Capital Markets Private Limited)
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Fincap Private Limited (formerly known as Motilal Oswal Insurance Brokers Private Limited)
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Asset Management Company Limited

NOTES TO FINANCIAL STATEMENT *(Contd..)*

- Motilal Oswal Investment Advisors Limited
- Motilal Oswal Securities Limited
- Motilal Oswal Wealth Management Limited
- Motilal Oswal Securities International Private Limited
- Motilal Oswal Capital Market (Hongkong) Private Limited
- Motilal Oswal Capital Markets (Singapore) Pte. Limited
- Aspire Home Finance Corporation Limited
- Motilal Oswal Asset Management (Mauritius) Company Private Limited
- India Business Excellence Management Company
- Nagori Agro & Cattle Feeds Private Limited

(v) Subsidiaries

- Motilal Oswal Real Estate Investment Advisors II Private Limited

(vi) Associate

- India Realty Excellence Fund II LLP

(vii) Key managerial personnel

- Motilal Oswal - Director
- Raamdeo Agarawal – Director
- Vishal Tulsyan – Director

(viii) Enterprises in which key managerial personnel have control

- OSAG Enterprises LLP

(B) Transactions with related parties

Nature of transaction	Name of the related party	Holding company/Subsidiary/Associate	
		For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Interest expense	Motilal Oswal Financial Services Limited	8,92,031	8,19,479
Share of profit	India Realty Excellence Fund II LLP	(16,479)	(18,563)
Return of capital	India Realty Excellence Fund II LLP	(38,683)	(324)
Rent expense	Motilal Oswal Financial Services Limited	12,000	12,000
Loans taken	Motilal Oswal Financial Services Limited	(19,20,000)	(29,90,529)
Loans taken repaid	Motilal Oswal Financial Services Limited	81,87,298	–
Loan taken (maximum balance)	Motilal Oswal Financial Services Limited	89,24,827	62,67,298
Investments (maximum balance)	Motilal Oswal Real Estate Investment Advisors II Private Limited	90,000	90,000
Outstanding balances	Name of the related party	Holding company/Subsidiary/Associate	
		As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Short - term borrowings including interest accrued and due	Motilal Oswal Financial Services Limited	–	(7,004,829)
Investments	Motilal Oswal Real Estate Investment Advisors II Private Limited	90,000	90,000
	India Realty Excellence Fund II LLP	59,310	97,993

Note: Income/receipts and payables are shown in brackets.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 24 :

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

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sudhir N. Pillai

Partner

Membership No.: 105782

Place : Mumbai

Date : 21 May 2018

For and on behalf of the Board of Directors

Motilal Oswal Real Estate Investment Advisors Private Limited

Motilal Oswal

Director

DIN No. 00024503

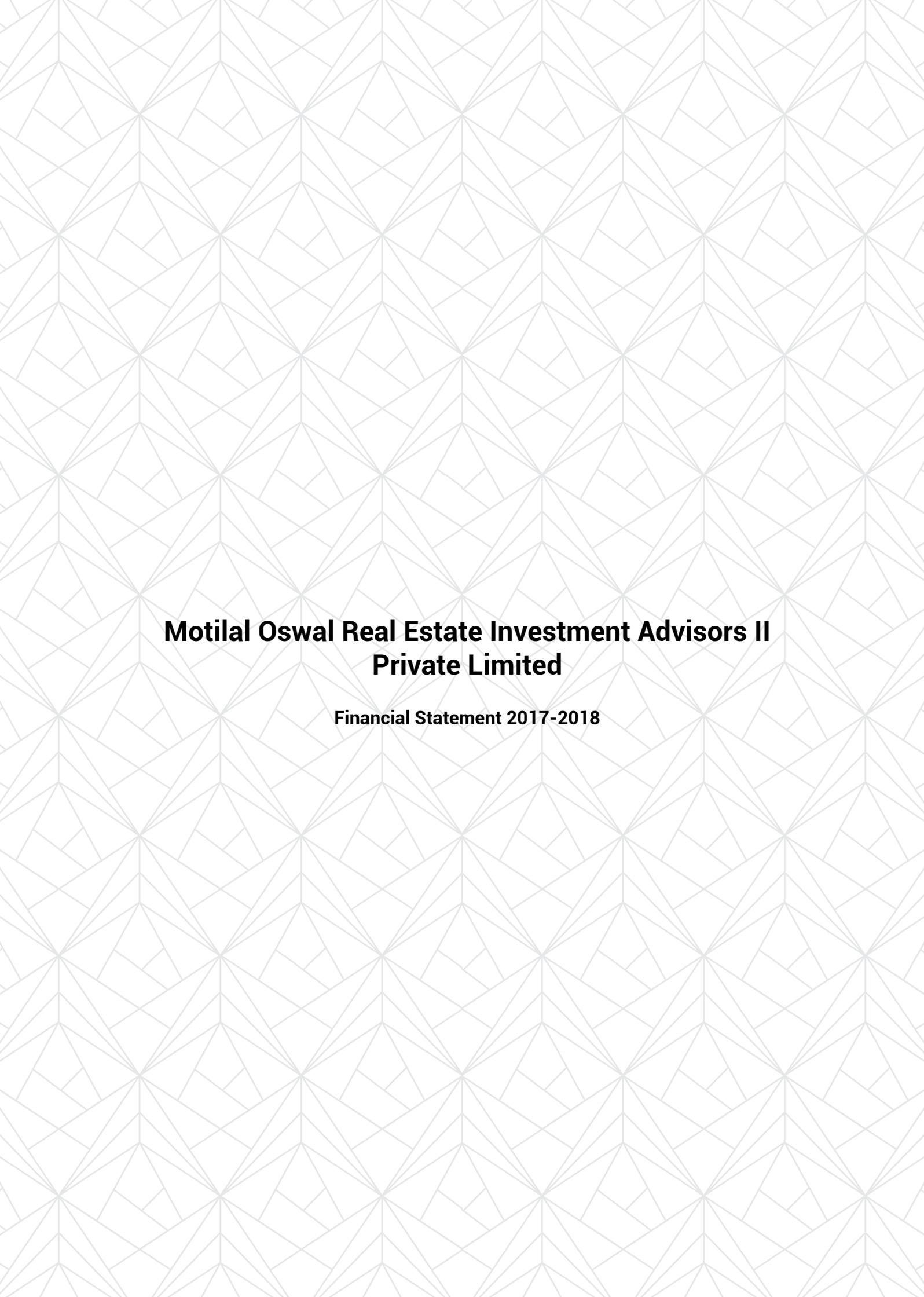
Place : Mumbai

Date : 21 May 2018

Vishal Tulsyan

Director

DIN No. 00139754



**Motilal Oswal Real Estate Investment Advisors II
Private Limited**

Financial Statement 2017-2018

INDEPENDENT AUDITORS' REPORT

To the Members of **MOTILAL OSWAL REAL ESTATE INVESTMENT ADVISORS II PRIVATE LIMITED**

Report on the Financial Statement

1. We have audited the accompanying financial statement of Motilal Oswal Real Estate Investment Advisors II Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its profit and its cash flows for the year ended on that date.

Other Matter

9. The financial statement of the Company for the year ended 31 March 2017 were audited by predecessor auditor of the Company, whose report dated 26 April 2017, expressed an unmodified opinion on those statements.

Report on Other Legal and Regulatory Requirements

10. 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.
11. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

INDEPENDENT AUDITORS' REPORT *(Contd..)*

- c. the financial statement dealt with by this report are in agreement with the books of account;
- d. in our opinion, the aforesaid financial statement comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the financial statement of the Company for the year ended on that date and our report dated 21 May 2018 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 does not have any pending litigation which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these financial statement. Hence, reporting under this clause is not applicable.

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

per Sudhir N. Pillai
Partner
Membership No.: 105782

Place: Mumbai
Date: 21 May 2018

ANNEXURE I

To the Independent Auditor's Report of even date to the members of Motilal Oswal Real Estate Investment Advisors II Private Limited, on the financial statement for the year ended 31 March 2018

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (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 not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
 - (b) There are no dues in respect of income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (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) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.
- (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 Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statement, as required by the applicable accounting standards. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per Sudhir N. Pillai

Partner

Membership No.: 105782

Place: Mumbai

Date: 21 May 2018

BALANCE SHEET

BALANCE SHEET AS AT 31ST MARCH 2018

Particulars	Note No.	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	2,46,00,000	4,96,00,000
(b) Reserves and surplus	4	3,75,67,228	(14,833,447)
		6,21,67,228	3,47,66,553
2. Non-current liabilities			
(a) Long-term provisions	5	38,94,170	20,83,614
(b) Deferred tax liabilities (net)	6	1,13,03,078	—
		1,51,97,248	20,83,614
3. Current liabilities			
(a) Short-term borrowings	7	3,95,00,000	9,78,50,000
(b) Trade payables	8	—	—
— total outstanding dues of micro enterprises and small enterprises		—	—
— total outstanding dues of creditors other than micro enterprises and small enterprises		1,12,01,360	1,65,04,664
(c) Other current liabilities	9	46,99,913	19,68,935
(d) Short-term provisions	10	1,71,33,050	2,60,66,164
		7,25,34,323	14,23,89,763
		14,98,98,799	17,92,39,930
II. ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	11	1,88,997	1,51,416
(b) Non-current investments	12	10	10
(c) Deferred tax assets (net)	6	—	50,41,504
(d) Long-term loans and advances	13	7,51,99,974	8,55,41,887
		7,53,88,981	9,07,34,817
5. Current assets			
(a) Trade receivables	14	5,31,96,777	5,86,38,407
(b) Cash and bank balances	15	33,97,393	41,48,905
(c) Short-term loans and advances	16	1,79,15,648	2,57,17,801
		74,509,818	88,505,113
		14,98,98,799	17,92,39,930

The accompanying notes 1 to 33 form an integral part of the financial statement

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

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

Sudhir N. Pillai

Partner

Membership No : 105782

Place : Mumbai

Date : 21st May, 2018

For and on behalf of the Board of Directors

Motilal Oswal Real Estate Investment Advisors II Private Limited

Motilal Oswal

Director

DIN No. 00024503

Place : Mumbai

Date : 21st May, 2018

Vishal Tulsyan

Director

DIN No. 00139754

STATEMENT OF PROFIT AND LOSS

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2018

Particulars	Note No.	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
REVENUE			
(a) Revenue from operations	17	20,84,95,032	18,08,23,134
(b) Other income	18	24,74,951	2,96,299
Total revenue		21,09,69,983	18,11,19,433
EXPENSES			
(a) Employee benefits expense	19	4,98,91,585	6,02,01,603
(b) Finance cost	20	60,00,971	67,24,554
(c) Depreciation and amortisation expense	11	1,09,269	22,236
(d) Operating expenses	21 (a)	6,33,09,956	6,79,28,414
(e) Other expenses	21 (b)	1,91,08,233	1,22,64,144
Total expenses		13,84,20,014	14,71,40,951
Profit before tax		7,25,49,969	3,39,78,482
Tax expense			
(a) Current tax		1,47,92,105	69,20,711
(b) Deferred tax		1,63,44,582	1,12,49,943
(c) Minimum alternate tax credit (entitlement)		(1,08,87,395)	(67,65,065)
(d) Income tax for earlier years		(99,998)	
		2,01,49,294	1,14,05,589
Profit after tax		5,24,00,675	2,25,72,893
Earnings per equity share			
Basic and Diluted	26	5,240.07	2,257.29

The accompanying notes 1 to 33 form an integral part of the financial statement

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

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

Sudhir N. Pillai
Partner
Membership No : 105782

Place : Mumbai
Date : 21st May, 2018

For and on behalf of the Board of Directors
Motilal Oswal Real Estate Investment Advisors II Private Limited

Motilal Oswal
Director
DIN No. 00024503

Vishal Tulsyan
Director
DIN No. 00139754

Place : Mumbai
Date : 21st May, 2018

CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

Particulars	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	7,25,49,969	3,39,78,482
Adjustment for:		
Interest expenses	60,00,971	67,24,554
Gratuity and other benefits	23,65,844	13,00,255
Depreciation	1,09,269	22,236
Profit on sale of investments	–	(2,96,299)
Operating profit before working capital changes	8,10,26,053	4,17,29,228
Changes in working capital		
(Increase)/decrease trade receivables	54,41,630	3,56,14,326
(Increase)/decrease in short-term loans and advances	78,02,153	(1,13,59,723)
(Increase)/decrease in long-term loans and advances	56,45,938	(1,66,30,331)
Increase/(decrease) other shor-term provision	(89,33,115)	1,08,93,994
Increase/(decrease) other current liabilities	27,41,298	(1,06,10,716)
Increase/(decrease) trade payables	(53,03,304)	(8,01,80,852)
Increase/(decrease) long - term provision	(5,55,288)	10,98,215
Cash generated from/ (used in) operations	8,78,65,365	(2,94,45,859)
Income tax paid (net of refunds and including MAT credit utilised)	8,91,264	(1,82,31,308)
Net cash generated from/ (used in) operating activities	8,87,56,629	(4,76,77,167)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,46,850)	(1,66,350)
Purchase of mutual fund units	–	(14,00,00,000)
Proceeds from sale of mutual fund	–	14,02,96,299
Net cash flow (used in)/ generated from investing activities	(1,46,850)	1,29,949

CASH FLOW STATEMENT *(Contd..)*

Particulars	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Receipts from borrowings	12,75,00,000	16,95,18,206
Redemption of preference shares	(2,50,00,000)	–
Repayment of loan	(18,58,50,000)	(15,79,66,563)
Interest paid	(60,11,291)	(69,70,466)
Net cash flow (used in)/ generated from financing activities	(8,93,61,291)	45,81,177
Net (decrease) in cash and cash equivalents during the year (A+B+C)	(7,51,512)	(4,29,66,041)
Cash and cash equivalents as at beginning of the year	41,48,905	4,71,14,946
Cash and cash equivalents as at end of the year (also refer Note 15)	33,97,393	41,48,905

The accompanying notes 1 to 33 form an integral part of the financial statement

Notes:

- (i) The above cash flow statement has been prepared under indirect method as set out in Accounting Standard 3, 'Cash Flow Statements', as specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Account) Rules, 2014 (as amended).
- (ii) Figures in brackets indicate cash outflows.

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

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No. 001076N/N500013

Sudhir N. Pillai

Partner

Membership No : 105782

Place : Mumbai

Date : 21st May, 2018

For and on behalf of the Board of Directors

Motilal Oswal Real Estate Investment Advisors II Private Limited

Motilal Oswal

Director

DIN No. 00024503

Place : Mumbai

Date : 21st May, 2018

Vishal Tulsyan

Director

DIN No. 00139754

NOTES TO FINANCIAL STATEMENT

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1 : BACKGROUND

Motilal Oswal Real Estate Investment Advisors II Private Limited (the Company) was incorporated on 7 March 2014. The principal shareholder of the Company is Motilal Oswal Real Estate Investment Advisors Private Limited.

The Company is an Investment Manager and Venture Capital Advisor for managing funds like Realty Excellence Fund II, a fund launched by India Realty Excellence Fund II LLP and Realty Excellence Fund III a fund launched by India Realty Excellence Fund III. The Company is also engaged in providing financial, investment advisory services, management & facilitation services and identifying investment opportunities etc.

Basis of preparation of financial statement

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

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

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

(a) Use of estimates

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

(b) Property, Plant and Equipment (PPE)

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

Depreciation

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

(c) Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If such an indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

(d) Investments

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

NOTES TO FINANCIAL STATEMENT *(Contd..)*

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

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

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

(e) Revenue recognition

Revenue is recognized when there is reasonable certainty of its ultimate realization/collection.

– Advisory and Setup fees / Referral Fees

Advisory and Setup Fees/Referral fees are accounted on accrual basis in accordance with the terms of contracts entered into between the Company and the counter party.

– Interest and dividend income

Interest income is accounted on an accrual basis. Dividend income is recognized when the right to receive dividend is established.

– In respect of other heads of income, the Company accounts the same on accrual basis.

(f) Foreign currency transactions

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

(g) Employee benefits

Short-term employment benefits

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

Post-employment benefits

Defined contribution plan:

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

Defined benefits plan:

Gratuity is post-employment benefit and is in the nature of defined benefit plan. The liability recognized in the Balance Sheet in respect of gratuity is the present value of defined benefit obligation at the Balance Sheet date together with the adjustments for unrecognized actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the Balance Sheet date by an independent actuary using the projected unit credit method. Actuarial gains and losses comprise experience adjustment and the effects of changes in actuarial assumptions are recognized immediately in the Statement of Profit and Loss.

Other long-term benefits

Other long-term benefits consist of heritage club benefits, which are recognized as liability at the present value of defined benefits obligation as at the Balance Sheet date. The defined obligation benefit is calculated at the Balance Sheet date by an independent actuary using the projected unit credit method.

Compensated absences

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

absences. Provision is made for expected cost of accumulating compensated absences as a result of unused leave entitlement which has accumulated as at the balance sheet date.

Ex-gratia (bonus)

The Company recognizes the costs of bonus payments when it has a present obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

(h) Operating leases

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

Operating lease rentals are recognized as an expense in the Statement of Profit and Loss on straight line basis over the lease period on accrual basis as per the terms of agreement with counter parties.

(i) Taxation

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

Current tax

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

Minimum Alternate Tax

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

Deferred tax

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

(j) Earnings per share

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

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

(k) Provisions and Contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

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

(l) Borrowing costs

General and specific borrowing cost directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

(m) Cash and cash equivalents

Cash and cash equivalents in Balance Sheet comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

NOTE 3 : SHARE CAPITAL

	As at 31-Mar-18		As at 31-Mar-17	
	Number of Shares	(In ₹)	Number of Shares	(In ₹)
Authorised				
Equity shares of ₹ 10 each (Previous year ₹ 10 each)	50,000	5,00,000	50,000	5,00,000
8% Non cumulative preference shares of ₹ 10 each (Previous year ₹ 10 each)	49,50,000	4,95,00,000	49,50,000	4,95,00,000
	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Issued, Subscribed and Paid up				
Equity shares of ₹ 10 each fully paid up (Previous year ₹ 10 each)	10,000	1,00,000	10,000	1,00,000
8% Non cumulative preference shares of ₹ 10 each (Previous year ₹ 10 each)	24,50,000	2,45,00,000	49,50,000	4,95,00,000
	24,60,000	2,46,00,000	49,60,000	4,96,00,000

3.1 Terms and Conditions

Equity shares

The Company has issued one class of shares referred to as equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividend in Indian rupees. Each equity share has the same right of dividend. In the event of liquidation of Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

8% Non cumulative preference shares

The Company has only one class of preference shares having a par value of ₹ 10 each. The preference shares are redeemable on or before end of 10 years from the date of allotment at the option of the Company. The preference shares will carry preferential right vis a vis equity shares of the Company with respect to payment of dividend and repayment in case of winding up or repayment of capital.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

3.2 Reconciliation of number of shares outstanding

	As at 31-Mar-18		As at 31-Mar-17	
	Number of Shares	(In ₹)	Number of Shares	(In ₹)
Equity shares				
At the beginning of the year	10,000	10,000	10,000	10,000
Additions during the year	–	–	–	–
At the end of the year	10,000	10,000	10,000	10,000
8% Non cumulative preference shares				
At the beginning of the year	49,50,000	4,95,00,000	49,50,000	49,50,000
Additions during the year	–	–	–	–
Redemption during the year	25,00,000	2,50,00,000	–	–
At the end of the year	24,50,000	2,45,00,000	49,50,000	49,50,000

3.3 Share holder having more than 5% holding in the Company

Name of shareholder	As at 31-Mar-18		As at 31-Mar-17	
	No. of shares held	% of holding	No. of shares held	% of holding
Equity shares				
Sharad Mittal	750	7.50	750	7.50
Motilal Oswal Real Estate Investment Advisors Private Limited and its Nominee	9,000	90	9,000	90
8% Non-cumulative preference shares				
MOPE Investment Advisors Private Limited	24,50,000	2,45,00,000	49,50,000	49,50,000

NOTE 4 : RESERVES AND SURPLUS

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
a) Statement of Profit and Loss		
Balance at the beginning of the year	(1,48,33,447)	(3,74,06,340)
Add: Transfer from Statement of Profit and Loss	5,24,00,675	2,25,72,893
Less: Transfer to Capital redemption reserve	(2,50,00,000)	–
Balance at the end of year	1,25,67,228	(1,48,33,447)
b) Capital redemption reserve		
Balance at the beginning of the year	–	–
Add: Transfer from Statement of Profit and Loss	2,50,00,000	–
Balance at the end of year	2,50,00,000	–
	3,75,67,228	(1,48,33,447)

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 5 : LONG - TERM PROVISIONS

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Provision for employee benefits (also refer note 27)		
Gratuity obligation	36,85,277	17,10,796
Heritage obligation	2,08,893	3,72,818
	<u>38,94,170</u>	<u>20,83,614</u>

NOTE 6 : DEFERRED TAX ASSETS/LIABILITIES (NET)

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Deferred tax liabilities (net)		
Provision for gratuity	(11,35,108)	—
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	(1,80,930)	—
Amortization of placement fees	1,26,19,116	—
	<u>1,13,03,078</u>	<u>—</u>
Deferred tax assets (net)		
Provision for gratuity	—	6,54,597
Carry forward losses	—	1,67,09,158
Unabsorbed Depreciation	—	9,609
Timing difference on property, plant and equipments as per books and as per Income Tax Act, 1961	—	2,30,040
Amortization of placement fees	—	(1,25,61,900)
	<u>—</u>	<u>50,41,504</u>

NOTE 7 : SHORT - TERM BORROWINGS

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Loan from Related Party, Repayable on demand (Unsecured)		
Motilal Oswal Financial Services Limited (Intermediate Holding Company)	3,95,00,000	9,78,50,000
	<u>3,95,00,000</u>	<u>9,78,50,000</u>

NOTE 8 : TRADE PAYABLES

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Due to:		
MSME (also refer note 22)	—	—
Other	1,12,01,360	1,65,04,664
	<u>1,12,01,360</u>	<u>1,65,04,664</u>

NOTES TO FINANCIAL STATEMENT (Contd..)

NOTE 9 : OTHER CURRENT LIABILITIES

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Withholding and other taxes payable	2,792,410	1,154,416
Accrued salaries and benefits	–	101,318
Other payables	1,840,780	636,158
Interest accrued and due	66,723	77,043
	4,699,913	1,968,935

NOTE 10 : SHORT-TERM PROVISIONS

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Provision for employee benefits		
Ex Gratia payable (also refer note 24)	1,60,00,000	2,52,00,000
Gratuity obligation (also refer note 27)	3,94,910	2,92,204
Heritage obligation (also refer note 27)	79,764	–
Compensatory absences (also refer note 24)	1,23,750	1,10,091
Other		
Provision for expenses	5,34,626	4,63,869
	1,71,33,050	2,60,66,164

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

Current Year

(in ₹)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 01-Apr-17	Additions	Deletions	Balance as at 31-Mar-18	Balance as at 01-Apr-17	Additions	Deductions	Balance as at 31-Mar-18	Balance as at 31-Mar-18	Balance as at 31-Mar-17
Computers	2,08,529	1,46,850	–	3,55,379	57,113	1,09,269	–	1,66,382	1,88,997	1,51,416
TOTAL	2,08,529	1,46,850	–	3,55,379	57,113	1,09,269	–	1,66,382	1,88,997	1,51,416

Previous Year

(in ₹)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 01-Apr-16	Additions	Deductions	Balance as at 31-Mar-17	Balance as at 01-Apr-16	Additions	Deductions	Balance as at 31-Mar-17	Balance as at 31-Mar-17	Balance as at 31-Mar-16
Computers	42,179	1,66,350	–	2,08,529	34,877	22,236	–	57,113	1,51,416	7,302
TOTAL	42,179	1,66,350	–	2,08,529	34,877	22,236	–	57,113	1,51,416	7,302

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 12 : NON-CURRENT INVESTMENTS

Particulars	Relationship	Number of shares		Quoted / Unquoted	Partly paid / Fully paid	Face Value (In ₹)	Amount (In ₹)	
		31-Mar-18	31-Mar-17				31-Mar-18	31-Mar-17
Other Investments								
Investment in equity instruments								
Aspire Home Finance Corporation Limited	Fellow subsidiary	10	10	Unquoted	Fully paid-up	1	10	10
Total							10	10

Particulars	As at 31-Mar-18 (In ₹)		As at 31-Mar-17 (In ₹)	
	Cost	Market Value	Cost	Market Value
Aggregate value of quoted investments and market value	NA	NA	NA	NA
Aggregate value of unquoted investments				
Others	10	NA	10	NA
Aggregate provision for diminution in value of investments	NA	NA	NA	NA

NOTE 13 : LONG-TERM LOANS AND ADVANCES

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Other loans and advances (Unsecured, considered good)		
Prepaid expenses	3,27,39,478	3,51,85,416
Advance tax (Net of provision for tax)	2,48,08,036	4,03,91,406
MAT credit entitlement	1,76,52,460	67,65,065
Capital advance	—	32,00,000
	7,51,99,974	8,55,41,887

NOTE 14 : TRADE RECEIVABLES

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Outstanding for a period exceeding 6 months from the date they are due for payment		
Unsecured, considered good	60,000	—
Other debts		
Unsecured, considered good	5,31,36,777	5,86,38,407
	5,31,96,777	5,86,38,407

NOTE 15 : CASH AND BANK BALANCES

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Cash and cash equivalents		
Cash on hand	24,900	3,90,314
Balance with banks		
In current accounts	33,72,493	37,58,591
	33,97,393	41,48,905

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 16 : SHORT-TERM LOANS AND ADVANCES

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Secured, considered good		
Loan to employees	35,34,024	35,34,024
Others (Unsecured, considered good)		
Indirect tax credit receivable	–	36,65,393
Prepaid expenses	1,41,50,624	1,13,46,603
Other	2,31,000	71,71,781
	<u>1,79,15,648</u>	<u>2,57,17,801</u>

NOTE 17 : REVENUE FROM OPERATIONS

	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Sale of services		
Referral fee received	77,29,119	1,12,28,344
Management fees	10,75,60,567	4,02,58,561
Advisory fees - fund	6,86,80,346	7,63,21,229
Advisory fees - others	–	92,80,000
Setup fees	1,84,25,000	3,24,35,000
Other operating revenue	61,00,000	1,13,00,000
	<u>20,84,95,032</u>	<u>18,08,23,134</u>

NOTE 18 : OTHER INCOME

	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Interest on income tax refund	15,84,443	–
Profit on sale of investments	–	2,96,299
Miscellaneous income	8,90,508	–
	<u>24,74,951</u>	<u>2,96,299</u>

NOTE 19 : EMPLOYEE BENEFITS EXPENSE

	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Salary, bonus and allowances	4,62,06,711	5,78,20,228
Contribution to provident fund (also refer note 27)	10,07,548	7,23,460
Staff welfare expenses	3,11,482	3,57,660
Gratuity and other benefits (also refer note 27)	23,65,844	13,00,255
	<u>4,98,91,585</u>	<u>6,02,01,603</u>

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 20 : FINANCE COST

	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Interest cost	60,00,971	67,24,554
	<u>60,00,971</u>	<u>67,24,554</u>

NOTE 21 (a) : OPERATING EXPENSES

	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Placement fees	6,33,09,956	6,79,28,414
	<u>6,33,09,956</u>	<u>6,79,28,414</u>

NOTE 21 (b) : OTHER EXPENSES

	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Auditor's remuneration (also refer note 23)	1,76,685	2,28,711
Legal and professional charges	70,81,521	36,27,881
Rent (also refer note 25)	35,38,719	32,47,516
Marketing and brand promotion expenses	3,84,991	54,772
Picnic expenses	–	90,334
Membership and subscription	11,36,925	9,81,181
Meeting and seminar expenses	18,71,418	1,66,371
Printing and stationery	2,15,493	4,26,872
Bank charges	3,763	5,101
Travelling and conveyance expenses	32,86,283	29,56,440
Rates and taxes	9,553	1,33,232
Client entertainment expenses	90,727	19,320
Net (gain)/loss on foreign currency transactions and translation	2,78,158	–
Miscellaneous expenses	10,33,997	3,26,413
	<u>1,91,08,233</u>	<u>1,22,64,144</u>

NOTE 22 : DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than forty five days as at the Balance Sheet date. The Micro, Small and Medium Enterprises have been identified on the basis of the information provided by the vendors to the Company. Further, no interest during the year has been paid or payable in respect thereof.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 23 : AUDITOR'S REMUNERATION (EXCLUDING TAXES) HAS BEEN CLASSIFIED AS UNDER

Particulars	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
As Auditors:		
Statutory audit	1,70,905	1,65,000
Out of pocket expenses	5,780	3,711
Others	–	60,000
	1,76,685	2,28,711

NOTE 24 : PROVISIONS MADE COMPRISES OF

For the year ended 31 March 2018

(In ₹)

Particulars	Opening balance as at 01-Apr-17	Provided during the financial year	Provision reversed/paid during the financial year	Closing balance as at 31-Mar-18
Ex Gratia	2,52,00,000	1,60,00,000	2,52,00,000	1,60,00,000
Gratuity	20,03,000	20,77,187	–	40,80,187
Compensated absences	1,10,091	4,94,015	4,80,356	1,23,750
Heritage club	3,72,818	2,88,657	3,72,818	2,88,657
	2,76,85,909	1,88,59,859	2,60,53,174	2,04,92,594

For the year ended 31 March 2017

(In ₹)

Particulars	Opening balance as at 01-Apr-16	Provided during the financial year	Provision reversed/paid during the financial year	Closing balance as at 31-Mar-17
Ex Gratia	1,35,55,000	2,52,00,000	1,35,55,000	2,52,00,000
Gratuity	10,75,563	9,27,437	–	20,03,000
Compensated absences	1,00,822	1,10,091	1,00,822	1,10,091
Heritage club	–	3,72,818	–	3,72,818
	1,47,31,385	2,66,10,346	1,36,55,822	2,76,85,909

NOTE 25 : LEASES

The Company has entered into one cancellable operating lease for office premises. However, the management has not entered into any non-cancellable lease agreement.

General description of lease terms: (in respect of assets taken on lease under cancellable operating lease)

- Lease rentals are paid on the basis of agreed terms
- Office premises are taken on lease for a period of 1 year
- Agreement is cancellable, by giving prior notice of 30 days by either of the parties

Particulars	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Lease payments recognised in the Statement of Profit and Loss under the head "Rent"	35,38,719	32,47,516

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 26 : EARNINGS PER SHARE

Particulars	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17
Profit attributable to equity shareholders (₹) [A]	5,24,00,675	2,25,72,893
Nominal value per share (in ₹)	10	10
Weighted average number of equity shares outstanding during the year [B]	10,000	10,000
Basic and Diluted earnings per share [A] / [B] (₹)	5,240.07	2,257.29

NOTE 27 : EMPLOYEE BENEFITS

Disclosure pursuant to Accounting Standard -15 (Revised) "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-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Employers' contribution to provident fund	10,07,548	7,23,460

Defined benefit plan:

The Company provides for gratuity benefit which is a defined benefit plan covering all its eligible employees. This plan is unfunded. The gratuity benefits are subject to a maximum limit of upto ₹ 20,00,000.

The following table set out the status of the gratuity plan as specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules 2014 (as amended) under Accounting Standard 15 "Employee Benefits" and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

(In ₹)

Particulars	Gratuity (unfunded)		Other long term benefits	
	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17
I) Actuarial assumptions				
Mortality	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate
Discount Rate (per annum)	6.85%	6.96%	6.85%	6.69%
Rate of escalation in salary (per annum)	13.98%	11.00%	–	–
Expected rate of return on plan assets (per annum)	–	–	–	–
Employee Attrition Rate (Past Service)	PS: 0 to 37 : 8.1%	PS: 0 to 37 : 15.34%	PS: 0 to 40 : 28%	PS: 0 to 37 : 28% to 28.16%
Expected average remaining service	9.53	5.29	2.55 to 2.56	2.53 to 2.56
II) Changes in present value of defined benefit obligations (PVO)				
Liability at the beginning of year	20,03,000	10,75,563	–	–
Interest cost	1,34,001	80,560	–	–
Current service cost	7,61,153	4,90,696	2,88,657	3,72,818
Past service cost - (non vested benefits)	3,24,601	–	–	–
Past service cost - (vested benefits)	8,12,287	–	–	–
Unrecognised past service cost - (non vested benefits)	(1,62,300)	–	–	–

NOTES TO FINANCIAL STATEMENT *(Contd..)*

(In ₹)

Particulars	Gratuity (unfunded)		Other long term benefits	
	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17
Benefits paid	–	–	–	–
Actuarial loss on obligation	2,07,445	3,56,181	–	–
Liability at the end of year	40,80,187	20,03,000	2,88,657	3,72,818
III) Changes in fair value of plan assets				
Fair value of plan assets at the beginning of year	–	–	–	–
Expected return on plan assets	–	–	–	–
Contributions	–	–	–	–
Benefit paid	–	–	–	–
Actuarial Gain/(Loss) on plan assets	–	–	–	–
Fair Value of Plan Assets at the end of year	–	–	–	–
IV) Expense recognised in the statement of profit and loss				
Current service cost	7,61,153	4,90,696	2,88,657	3,72,818
Interest cost	1,34,001	80,560	–	–
Past service cost - (non vested benefits)	3,24,601	–	–	–
Past service cost - (vested benefits)	8,12,287	–	–	–
Unrecognised past service cost - non vested benefits	(1,62,300)	–	–	–
Expected return on plan assets	–	–	–	–
Actuarial loss	2,07,445	3,56,181	–	–
Expense recognized in the statement of profit and loss	20,77,187	9,27,437	2,88,657	3,72,818
V) Movement in liability recognized in balance sheet				
Opening net liability	20,03,000	10,75,563	–	–
Expenses as above	20,77,187	9,27,437	2,88,657	3,72,818
Contribution paid	–	–	–	–
Closing net liability	40,80,187	20,03,000	2,88,657	3,72,818
VI) Disclosure in balance sheet				
Current liability	3,94,910	2,92,204	79,764	–
Non - current liability	36,85,277	17,10,796	2,08,893	3,72,818
VII) Past service cost recognised				
Past service cost - (non vested benefits)	3,24,601	–	–	–
Past service cost - (vested benefits)	8,12,287	–	–	–
Average remaining future service till vesting of the benefit	2 years	–	–	–
Recognised past service cost - non vested benefits	1,62,301	–	–	–
Recognised past service cost - vested benefits	8,12,287	–	–	–
Unrecognised past service cost - non vested benefits	1,62,300	–	–	–

Experience history of last five years in case of other long term benefits is not applicable since, provision of the same is made from financial year ended 31 March 2017.

NOTES TO FINANCIAL STATEMENT *(Contd.)*

Particulars	Gratuity (unfunded)				
	For the Year ended 31-Mar-18	For the Year ended 31-Mar-17	For the Year ended 31-Mar-16	For the Year ended 31-Mar-15	For the Year ended 31-Mar-14
VIII) Experience adjustment					
Loss on obligation due to change in assumption	6,54,711	1,72,201	20,022	–	–
Experience loss on obligation	(4,47,266)	1,83,980	(3,28,147)	399,251	–

NOTE 28 : RELATED PARTY DISCLOSURE

(i) Relationships during the year

Ultimate Holding Company

- Passionate Investment Management Private Limited

Intermediate Holding Company

- Motilal Oswal Financial Services Limited
- MOPE Investment Advisors Private Limited

Holding Company

- Motilal Oswal Real Estate Investment Advisors Private Limited

Fellow subsidiaries

- Motilal Oswal Capital Markets Limited (formerly known as Motilal Oswal Capital Markets Private Limited)
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Fincap Private Limited (formerly known as Motilal Oswal Insurance Brokers Private Limited)
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisors Limited
- Motilal Oswal Securities Limited
- Motilal Oswal Wealth Management Limited
- Motilal Oswal Securities International Private Limited
- Motilal Oswal Capital Market (Hongkong) Private Limited
- Motilal Oswal Capital Markets (Singapore) Pte. Limited
- Aspire Home Finance Corporation Limited
- India Business Excellence Management Company
- Motilal Oswal Asset Management Company Limited
- Motilal Oswal Asset Management (Mauritius) Company Private Limited
- OSAG Enterprises LLP (Enterprise over which ultimate holding company has control)
- Nagori Agro & Cattle Feeds Private Limited

Key management personnel

- Motilal Oswal - Director
- Vishal Tulsyan - Director

Enterprises in which key managerial personnel have control

- OSAG Enterprises LLP

NOTES TO FINANCIAL STATEMENT *(Contd..)*

(ii) Transactions with related parties

(in ₹)

Nature of transaction	Name of the related party	Holding company/Fellow subsidiary	
		Year ended 31-Mar-18	Year ended 31-Mar-17
Rent expense	MOPE Investment Advisors Private Limited	35,34,300	32,31,360
Total		35,34,300	32,31,360
Referral fees (Received)	Motilal Oswal Securities Limited	–	(1,62,417)
	Motilal Oswal Financial Services Limited	(77,29,119)	(1,10,63,678)
Total		(77,29,119)	(1,12,26,095)
Placement fees	Motilal Oswal Securities Limited	1,06,27,895	87,31,375
	Motilal Oswal Wealth Management Limited	3,05,32,354	3,09,14,254
	Motilal Oswal Financial Services Limited	52,42,192	44,58,206
Total		4,64,02,441	4,41,03,835
Interest expense	Motilal Oswal Financial Services Limited	60,00,971	56,94,006
	MOPE Investment Advisors Private Limited	–	10,30,548
Total		60,00,971	67,24,554
Marketing and brand promotion expenses	Motilal Oswal Wealth Management Limited	3,00,000	–
Total		3,00,000	–
Loans taken	Motilal Oswal Financial Services Limited	(12,75,00,000)	(16,95,18,206)
	MOPE Investment Advisors Private Limited	–	–
Total		(12,75,00,000)	(16,95,18,206)
Loans repaid	Motilal Oswal Financial Services Limited	18,58,50,000	10,82,73,657
	MOPE Investment Advisors Private Limited	–	5,00,15,861
Total		18,58,50,000	15,82,89,518
Loan taken maximum balance	Motilal Oswal Financial Services Limited	11,88,50,000	9,78,50,002
	MOPE Investment Advisors Private Limited	–	5,00,15,861
Total		11,88,50,000	14,78,65,863
Investment maximum balance	Aspire Home Finance Corporation Limited	10	10
Total		10	10
Outstanding balances:	Name of the related party	Holding company/Fellow subsidiary	
		As at 31-Mar-18	As at 31-Mar-17
Loan payable	Motilal Oswal Financial Services Limited	(3,95,00,000)	(9,78,50,000)
Interest accrued and due	Motilal Oswal Financial Services Limited	(66,723)	(77,043)
Trade payable	Motilal Oswal Wealth Management Limited	(61,98,360)	(35,02,959)
Other payable	Motilal Oswal Securities Limited	–	(5,72,646)
Trade payable	Motilal Oswal Financial Services Limited	(2,700)	(31,99,788)
Non-current investment	Aspire Home Finance Corporation Limited	10	10

Note: Income/receipts and payables are shown in brackets.

NOTE 29 : SEGMENT INFORMATION:

The Company is currently engaged in single business segment of Advising and managing real estate funds. As the Company's business falls within a single primary business segment, the financial statement are reflective of the information required by Accounting Standard – 17 "Segment Reporting".

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 30 :

The Company has unabsorbed business loss (including unabsorbed Depreciation) of ₹ Nil (P.Y. ₹ 6,06,44,798) on which it has recognized Deferred Tax Assets (DTA) of ₹ Nil (P.Y. ₹ 1,67,18,768). Such recognition of DTA is created on the basis of profits / revenue which is going to be generated in future on the basis of present agreement signed between the Company, India Realty Excellence Fund II LLP, India Realty Excellence Fund III and Motilal Oswal Real Estate Investment Advisors Private Limited. Profit generated from such agreement will be able to recoup the entire amount of existing unabsorbed losses.

NOTE 31 : TRANSACTIONS IN FOREIGN CURRENCY

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

Particulars	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Travelling and conveyance expenses	40,649	2,20,814
Lodging and boarding expenses	35,780	2,58,624
Placement fees	80,30,818	—
Total	81,07,247	4,79,438

NOTE 32 :

The Company has submitted the request for cancellation/surrender of SEBI registration for Investment Advisors, which has been approved by Board of Directors in its Board Meeting held on 20 July 2016. The SEBI approval for the same is awaited.

NOTE 33 :

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

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

Sudhir N. Pillai
Partner
Membership No : 105782

Place : Mumbai
Date : 21st May, 2018

For and on behalf of the Board of Directors
Motilal Oswal Real Estate Investment Advisors II Private Limited

Motilal Oswal
Director
DIN No. 00024503

Vishal Tulsyan
Director
DIN No. 00139754

Place : Mumbai
Date : 21st May, 2018



India Business Excellence Management Co.

Financial Statement 2017-2018

INDEPENDENT AUDITORS' REPORT

To the Members of

INDIA BUSINESS EXCELLENCE MANAGEMENT COMPANY

Report on the Standalone Financial Statement

We have audited the accompanying financial statement of India Business Excellence Management Company ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statement based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statement that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, is not applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from the examination of those books;

INDEPENDENT AUDITORS' REPORT *(Contd..)*

- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. in our opinion the aforesaid standalone financial statement comply with the accounting standards notified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. on the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of section 164(2) of the Act.
- f. the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, is not applicable to the Company based on the amendment to notification no 464 E issued on 13th June 2017, and
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the companies (Audit and Auditor) Rule 2014, in our opinion to the best of our information and according to the explanations given to us:
 - i) The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - ii) there are no pending litigations on its financial position in the financials statement that need to be disclosed by the Company
 - ii) There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund

For **PGS & Associates**
Chartered Accountants
Firm Registration No.: 122384W

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: 21st May, 2018

BALANCE SHEET

BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note No.	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
I. EQUITY AND LIABILITIES			
A. Share Holders' Funds :			
Share Capital	1	18,32,005	18,32,005
Reserves and Surplus	2	10,20,39,545	9,54,93,779
		10,38,71,550	9,73,25,784
B. Current Liabilities :			
(a) Trade Payable	3	4,41,61,254	2,13,15,904
(b) Other Current Liabilities	4	3,28,84,461	16,40,269
(c) Short-Term Provisions	5	19,42,725	9,01,331
		7,89,88,440	2,38,57,504
Total		18,28,59,990	12,11,83,288
II. ASSETS			
C. Current Assets:			
(a) Current Investments	6	12,999	6,546
(b) Trade Receivables	7	7,35,27,542	4,51,994
(c) Cash and Bank Balances	8	3,50,90,244	13,57,991
(d) Short-Term Loans and Advances	9	7,42,29,205	11,93,66,757
		18,28,59,990	12,11,83,288
Total		18,28,59,990	12,11,83,288

Notes referred to above form an integral part of these financial statement

As per our attached report of even date

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

Premal H. Gandhi
Partner
Membership No. 111592

Place : Mumbai
Date : 21st May, 2018

For India Business Excellence Management Co

Director *Director*

Place : Mauritius
Dated : 21st May, 2018

STATEMENT OF PROFIT AND LOSS

PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2018

Particulars	Note No.	For the Year Ended 31-Mar-18 (In ₹)	For the Year Ended 31-Mar-17 (In ₹)
REVENUE:			
Revenue from Operations	10	86,86,91,541	90,42,49,796
Total	(A)	86,86,91,541	90,42,49,796
EXPENSES :			
Other Expenses	11	32,69,29,748	35,37,14,201
Total	(B)	32,69,29,748	35,37,14,201
Profit before Exceptional Item and tax	(C) = (A) - (B)	54,17,61,794	55,05,35,595
Tax Expenses :			
Provision for Tax	(D)	23,38,979	20,42,503
Profit for the Year/Period	(E) = (C) - (D)	53,94,22,814	54,84,93,093
Earnings Per Share (₹)			
Equity share of par value USD 1/- each			
Basic and Diluted		13,485.57	13,712.33

Notes referred to above form an integral part of these Financial Statement

As per our attached report of even date

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

Premal H. Gandhi
Partner
Membership No. 111592

Place : Mumbai
Date : 21st May, 2018

For India Business Excellence Management Co.

Director

Director

Place : Mauritius
Dated : 21st May, 2018

CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	31-Mar-18 (In ₹)	31-Mar-17 (In ₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	54,17,61,794	55,05,35,595
Adjustments for:		
Translation differences on foreign currency taken to reserves	57,75,991	(64,88,671)
Adjustment for working capital changes		
Increase/(Decrease) trade payable	2,28,45,349	1,93,14,501
Increase/(Decrease) other current liabilities	3,12,44,192	12,73,844
Increase/(Decrease) Short term Provision	—	—
(Increase)/Decrease trade receivables	(7,30,75,548)	47,97,466
(Increase)/Decrease short term loan and advances	4,51,37,552	36,25,794
(Increase)/Decrease current investment	(6,454)	205
CASH GENERATED FROM OPERATIONS	57,36,82,876	57,30,58,735
Taxes paid	(12,97,586)	(10,99,347)
NET CASH FROM OPERATING ACTIVITIES	57,23,85,291	57,19,59,388
CASH FLOW FROM FINANCIAL ACTIVITY		
Dividend Paid	(53,86,53,039)	(57,09,42,740)
NET CASH FROM INVESTING ACTIVITIES	(53,86,53,039)	(57,09,42,740)
NET CASH FLOW FOR THE YEAR	3,37,32,252	10,16,648
Cash and cash equivalents as at beginning of year:		
Balance with bank in current account	13,57,991	3,41,343
Cash and cash equivalents as at end of year:		
Balance with bank in current account	3,50,90,244	13,57,991

Note: The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.

As per our attached report of even date

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

Premal H. Gandhi
Partner
Membership No. 111592

Place : Mumbai
Date : 21st May, 2018

For India Business Excellence Management Co

Director Director

Place : Mauritius
Dated : 21st May, 2018

NOTES TO FINANCIAL STATEMENT

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

NOTE 1 : SHARE CAPITAL

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Issued, subscribed and paid up :		
Equity shares of USD 1 each	18,32,005	18,32,005
(All of the above 40,000 equity shares are held by MOPE Investment Advisors Private Limited, the holding company)		
Total	18,32,005	18,32,005

NOTE 2 : RESERVES AND SURPLUS

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Foreign exchange translation reserve		
Opening Balance	9,59,925	74,48,596
Add: During the year	57,75,991	(64,88,671)
Sub Total	(A) 67,35,916	9,59,925
Revenue reserve		
Opening balance	9,45,33,854	11,69,83,501
Add: Transferred from Statement of Profit and Loss	53,94,22,814	54,84,93,093
Add : Dividend Paid / to be paid	(53,86,53,039)	(57,09,42,740)
Sub Total	(B) 9,53,03,629	9,45,33,854
Total	(A+B) 10,20,39,545	9,54,93,779

NOTE 3 : TRADE PAYABLE

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Advisory Fees Payable	4,41,61,254	2,13,15,904
Total	4,41,61,254	2,13,15,904

NOTE 4 : OTHER CURRENT LIABILITIES

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Others	7,60,011	12,96,040
Creditors for Expenses	2,66,52,126	3,44,228
Book Overdraft from Banks	-	-
Management fees received in Advance	54,72,324	-
Total	3,28,84,461	16,40,269

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 5 : SHORT TERM PROVISIONS

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Provision for Taxation	19,42,725	9,01,331
Total	19,42,725	9,01,331

NOTE 6 : CURRENT INVESTMENT

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
India Business Excellence Fund-I (200 Units of USD 0.01 each)	12,999	6,545
Total	12,999	6,545

NOTE 7 : TRADE RECEIVABLES

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Unsecured, considered good Trade Receivables (Outstanding for less than six months)	7,35,27,542	4,51,994
Total	7,35,27,542	4,51,994

NOTE 8 : CASH AND BANK BALANCES

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Cash and Bank Equivalents Balances with Bank	3,50,90,244	13,57,991
Total	3,50,90,244	13,57,991

NOTE 9 : SHORT TERM LOAN AND ADVANCES

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Unsecured, considered good Prepaid Expenses	7,42,29,205	11,93,66,757
Total	7,42,29,205	11,93,66,757

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 10 : REVENUE FROM OPERATIONS

	For the Year Ended 31-Mar-18 (In ₹)	For the Year Ended 31-Mar-17 (In ₹)
Management and advisory fees	86,73,92,925	90,42,49,796
Other Income	12,98,616	
Total	86,86,91,541	90,42,49,796

NOTE 11 : OTHER EXPENSES

	For the Year Ended 31-Mar-18 (In ₹)	For the Year Ended 31-Mar-17 (In ₹)
Advisory and sub-advisory fees	32,06,47,065	34,32,98,697
Audit fees	5,42,567	6,46,455
Communication expenses	63,371	93,079
Foreign exchange fluctuation	3,18,610	2,79,974
Insurance	5,09,222	5,20,115
Legal and professional fees	23,73,763	32,88,270
Rates and taxes	7,81,897	8,13,299
Referral fees	11,82,318	38,19,449
Travelling and boarding expenses	2,46,328	5,70,611
Miscellaneous Expenses	2,64,607	3,84,252
Total	32,69,29,748	35,37,14,201

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

NOTE 12 : BACKGROUND:

The Company was incorporated in Mauritius under the Companies Act 2001 on 27 September 2006 as a private company limited by shares and holds a category 1 Global Business Licence issued by the Financial Service Commission (the "FSC"). The address of the Company's registered office is IFS court, Bank Street, Twenty Eight, Cybercity, Ebene 72201, Mauritius. The Company has obtained authorisation from the FSC to act as CIS Manager under Section 98 of the Securities Act 2005 to India Business Excellence Fund I (Fund I) and India Business Excellence Fund - IIIA (Fund-IIIA) on 7 January 2009 and 22 May 2017 respectively. On 29 April 2011, the Company has also received the FSC's authorisation to provide advisory services to India Business Excellence Fund - IIA (Fund-IIA) incorporated on 4 July 2011.

The financial statement of the Company prepared in US Dollars are in accordance with and comply with International Financial Reporting Standards ("IFRS"). These Indian Rupee ("INR") statements and amounts are in accordance with generally accepted accounting principles in India and are disclosed and included solely for convenience and for inclusion in the consolidated financial statement of Motilal Oswal Financials Services Limited. For the purpose of conversion the items in the statement of profit and loss have been converted at the average rate for the period and the items in the balance sheet have been converted at the closing rate except for share capital which has been converted at the historical rate.

NOTE 13 : NATURE OF BUSINESS:

The principal activity of the Company is to act as an investment manager to "Fund I and Fund-IIIA" and as investment advisor to "Fund-IIA".

NOTE 14 : SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of preparation

The financial statement of the Company have been prepared under the historical cost convention. The transactions of the Company are in USD, which have been converted into Indian Rupees for reporting purposes at the rate applied as per paragraph (c) of Note 3 of Significant Accounting Policies.

(b) Use of Estimates

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

(c) Conversion to Indian Rupees

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

(d) Income recognition, fees and expenses

Investment Management Agreement with Fund I

The Company had entered into an Investment Management Agreement with Fund I. Pursuant to this agreement, the Company assumes the investment management functions and has obtained the relevant authorisations to carry out the role of Investment Manager.

The Company is entitled to a management fee payable as follows:

- (i) during the first year, 2% of the aggregate Capital Commitment of Fund I
- (ii) from the second year onwards during the Commitment Period 2% per annum of the aggregate Capital Commitment of Fund I and
- (iii) after the Commitment Period, 2% per annum of the aggregate direct investment.

As from December 2010, date of the end of commitment period, management fees have been calculated based on 2% per annum of the aggregate of the direct investments.

As per the Constitution of Fund I, its life had to terminate on 27 September 2016. Fund I has extended its life by 1.25 years upto 31 December 2018 based on approval of Class A Participating Shareholders to enable Fund I to maximise returns of its remaining portfolio companies. Following a decision of the Board of Directors, the Company stopped charging management fees to Fund I effectively January 2017.

Investment Management Agreement with Fund - IIIA

The Company had entered into an Investment Management Agreement with Fund-IIIA and assumes the investment management functions. The Company has obtained the relevant authorisations to carry out the role of Investment Manager.

Pursuant to the Investment Management Agreement, the Company receives management income from Fund-IIIA at a rate of not more than 2% per annum based on the aggregate capital commitment of the relevant Class A Shareholders. As per the Constitution of Fund-IIIA, the fees payable to the Company would be upto 2% per annum, as reduced by the management fees being charged at India Business Excellence Fund - III, the Indian Fund in which Fund-IIIA invests.

The Board of directors of Fund IIIA had resolved, on 3 November 2017, that the management fees to be paid to the Company be calculated at 0.5% of the aggregate capital commitments of its Class A Shareholders.

Advisory Income:

Under the terms of Amended and Restated Investment Advisory Agreement dated 22 August 2013 the Company has been appointed by Fund-IIA as Investment Advisor to provide advisory and consultancy services on investment, divestment and all other related matters and to execute and deliver the documents on its behalf (excluding authority to acquire or dispose of investments except with the approval of the Board) subject to the overall supervision of the Board of the Fund IIA as specified in the Private Placement Memorandum of the latter.

Advisory Expenses:

The Company has entered into an Investment Advisory Service Agreement with MOPE Investment Advisors Private Limited (“MOPE”). Pursuant to the agreement, the Company receives non exclusive, non binding advice and recommendation pertaining to investment opportunities in India from MOPE. Effective as from 1 April 2007, the Company pays to MOPE a minimum fee on an annual basis which is equal to 130% of all the ordinary and necessary expenses incurred by MOPE from the purpose of such investment and divestment advice.

Sub advisory expenses:

The Company has entered in an Amended and Restated Sub-advisory Agreement with MOPE on 22 August 2013 . Pursuant to the agreement, the Company receives non exclusive, non binding advice and recommendation pertaining to investment opportunities in India from MOPE. The Company pays to MOPE a minimum fee on an annual basis which is equal to 130% of all the ordinary and necessary expenses incurred by MOPE from the purpose of such investment advice. In addition to the minimum fees, MOPE is also entitled to a performance incentive fee payable on the half yearly basis as may be decided by the Board of the Company and paid within 30 days of such decision by the Board.

Placement agreement:

The Company has entered into placement agreement with several placement agents and the fees payable to the agents between the parties from time to time and the payment mode are defined in the agreement.

(e) Taxes on income

The Company, under current laws and regulations, is liable to pay income tax on its net income at the rate of 15%. The Company is however entitled to a tax credit equivalent to the higher of actual foreign tax suffered and 80% of Mauritian tax payable in respect of its foreign source income.

As a tax resident of Mauritius, the Company expects to obtain benefits under the double taxation treaty between India and Mauritius (“DTAA”). In 2016, the governments of India and Mauritius revised the existing DTAA where certain changes have been brought to the existing tax benefits. The revised DTAA provides for capital gains arising on disposal of shares acquired by a Mauritius company on or after 1 April 2017 to be taxed in India. However, investments in shares acquired up to 31 March 2017 will remain exempted from capital gains tax in India irrespective of the date of disposal. In addition, shares acquired as from 1 April 2017 and disposed of by 31 March 2019 will be taxed at a concessionary rate equivalent to 50% of the domestic tax rate prevailing in India provided the Mauritius company meets the prescribed limitation of benefits clause, which includes a minimum expenditure level in Mauritius.

Disposal of investments made by a Mauritius company in Indian financial instruments other than shares (such as limited partnerships, options, futures, warrants, debentures, and other debt instruments) are not impacted by the change and will continue to be exempted from capital gains tax in India. As per the revised DTAA, interest arising in India to Mauritian residents will be subject to withholding tax in India at the rate of 7.5% in respect of debt claims or loans made after 31 March 2017.

The Company is centrally managed and controlled from Mauritius and is hence tax resident in Mauritius and holds a valid Tax Residence Certificate from the Mauritius Revenue Authority which is renewable annually subject to meeting certain conditions. The tax residency certificate entitles the Company to certain relief pursuant to a treaty concluded between Mauritius and India for avoidance of double taxation.

(f) Earnings per share

Basic earning per share is computed by dividing net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year as adjusted for the effects of all diluted potential equity shares.

(g) Contingencies and provisions

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

NOTE 15 : TAXATION

Provision for the current tax has been made for ₹ 23,38,979 Previous year ₹ 20,42,503/-

NOTE 16 : BASIC AND DILUTED EARNINGS/(LOSS) PER SHARE:

The numerator and denominator used to calculate basic and diluted earnings per shares are as under:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net Profit attributable to equity shareholders [A] (₹)	53,94,22,814	54,84,93,093
Weighted Average of equity shares issued [B] (face value of ₹ 1 each)	40,000	40,000
Basic and Diluted Earnings per share [A/B] (₹)	13,486	13,712

NOTE 17 : TRANSLATION DIFFERENCES

The translation differences arising during the period on account of foreign currency have been directly taken to Reserves.

NOTE 18 : RELATED PARTIES TRANSACTIONS

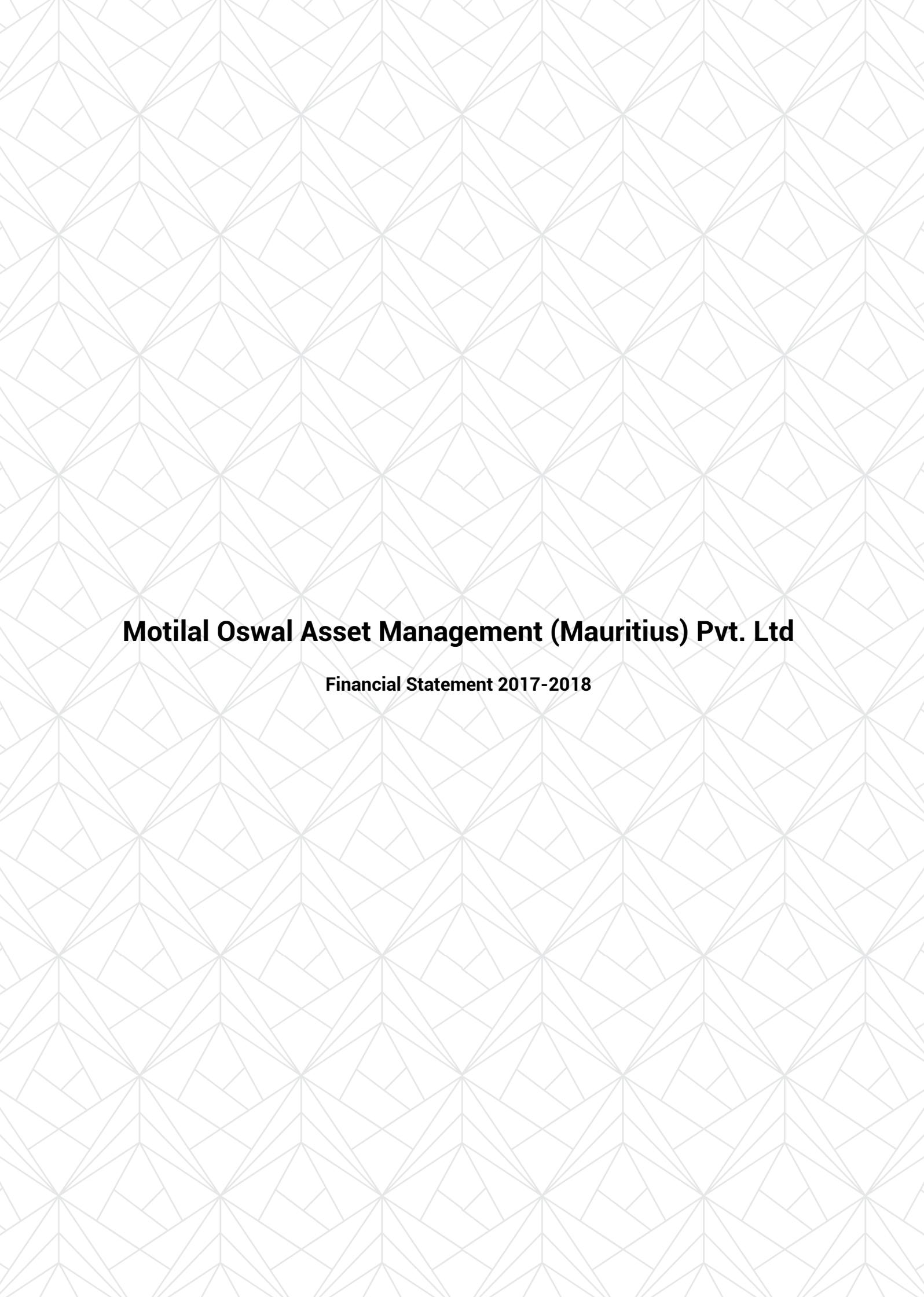
(i) Relationships during the period

A) Enterprises where control exists

- MOPE Investment Advisors Private Limited – Holding Company
- Motilal Oswal Financial Services Limited – Holding Company of MOPE Investment Advisors Private Limited
- Passionate Investment Management Private Limited - Ultimate Holding Company

B) Fellow subsidiaries

- Motilal Oswal Capital Markets Limited (formerly known as Motilal Oswal Capital Markets Private Limited)
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Fincap Private Limited (formerly known as Motilal Oswal Insurance Brokers Private Limited)
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisors Limited
- Motilal Oswal Securities Limited
- Motilal Oswal Wealth Management Limited
- Motilal Oswal Securities International Private Limited
- Motilal Oswal Asset Management Company Limited
- Motilal Oswal Capital Market (Singapore) Pte Ltd.
- Motilal Oswal Real Estate Investment Advisors Private Limited
- Motilal Oswal Real Estate Investment Advisors II Private Limited
- Aspire Home Finance Corporation Limited
- Motilal Oswal Capital Markets (Hongkong) Private Limited
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Nagori Agro & Cattle Feeds Private Limited
- Motilal Oswal Capital Limited



Motilal Oswal Asset Management (Mauritius) Pvt. Ltd

Financial Statement 2017-2018

ACCOUNTANTS CERTIFICATE

The Board of Directors **Motilal Oswal Asset Management (Mauritius) Private Limited**

We have verified the conversion of the accompanying balance sheet of Motilal Oswal Asset Management (Mauritius) Private Limited as on March 31, 2018 and the related Statement of Profit and Loss for the year ended 31st March 2018 which has been prepared and certified by the Management of Motilal Oswal Financial Services Limited and denominated in U S Dollars, to Indian Rupees, with books of account and records maintained and produced to us for verification and information and explanations given to us by the management of the Motilal Oswal Financial Services Limited have found it to be in accordance therewith.

This certificate has been issued for the Management of the Company and to assist the auditors of the ultimate holding company with their review of the consolidated financial statement and should not be used for any other purpose.

For **PGS & ASSOCIATES**
Chartered Accountants
Firm Registration No.: 122384W

Premal Gandhi
Partner
Membership No.:111592

Place: Mumbai
Date: 26th April, 2018

BALANCE SHEET

Balance Sheet as at March 31, 2018

Particulars	Note No.	As on 31-Mar-18 (In ₹)	As on 31-Mar-17 (In ₹)
I. EQUITY AND LIABILITIES			
Share holders' Funds :			
Share Capital	1	1,65,32,655	1,32,90,750
Reserves and Surplus	2	(54,70,469)	(1,05,45,731)
Trade Payables	3	16,62,669	10,60,801
Other Current Liabilities	4	5,45,563	15,53,569
Total		1,32,70,418	53,59,389
II. ASSETS			
Non-Current Assets			
Current Assets			
Trade receivables	5	12,00,508	–
Cash and Bank Balances	6	1,13,67,104	37,10,033
Short Term Loans and Advances	7	6,96,311	16,42,876
Investments	8	6,495	6,480
Total		1,32,70,418	53,59,389

Notes referred to above form an integral part of these financial statement

As per our report of attached even date

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

Premal H. Gandhi
Partner
Membership No. 111592
Place : Mumbai
Dated : 26th April, 2018

For Motilal Oswal Asset Management (Mauritius) Pvt. Ltd

Director

Director

STATEMENT OF PROFIT AND LOSS

Statement of Profit and Loss

Particulars	Note No.	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
Revenue :			
Revenue from Operations	9	2,06,62,317	5,19,298
Total Income		2,06,62,317	5,19,298
Expenses :			
Other Expenses	10	1,54,62,489	72,16,906
Total expenses		1,54,62,489	72,16,906
Profit/(Loss) before taxation		51,99,828	(66,97,608)
Tax expenses			
Current Tax		154,656	–
Profit/(Loss) after taxation		50,45,173	(66,97,608)

Notes referred to above form an integral part of these financial statement

As per our report of attached even date

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

Premal H. Gandhi
Partner
Membership No. 111592
Place : Mumbai
Dated : 26th April, 2018

For Motilal Oswal Asset Management (Mauritius) Pvt. Ltd

Director

Director

CASH FLOW STATEMENT

Statement of Cash Flow

Particulars	For the Year ended 31-Mar-18 (In ₹)	For the Year ended 31-Mar-17 (In ₹)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	51,99,828	(66,97,608)
Adjustment for FCTR	30,089	1,65,904
Adjustment for working capital changes		
Increase/(Decrease) in trade payables	601,868	10,60,801
Increase/(Decrease) in other current liabilities	(10,08,005)	10,28,695
(Increase)/Decrease in short-term loans and advances	9,46,564	13,42,890
(Increase)/Decrease in trade receivables	(12,00,508)	—
CASH GENERATED FROM OPERATIONS	45,69,835	(30,99,319)
Taxes Paid (Net of Refunds)	(1,54,656)	—
NET CASH FROM OPERATING ACTIVITIES	44,15,180	(30,99,319)
CASH FLOW FROM INVESTING ACTIVITIES		
Investment in mutual fund	(15)	(6,480)
NET CASH FLOW FROM INVESTING ACTIVITIES	(15)	(6,480)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in share capital	32,41,905	84,88,142
Share Application Money pending allotment	—	(33,30,000)
Interest paid	—	—
NET CASH FLOW FROM FINANCING ACTIVITIES	32,41,905	51,58,142
NET CASH FLOW FOR THE YEAR	76,57,070	20,52,343
Cash and bank balance		
Cash on hand	—	—
Scheduled Bank - in current account	37,10,033	16,57,690
Fixed deposit with banks	—	—
Total Cash and bank balances as at beginning of year	37,10,033	16,57,690
Cash and bank balances as at end of year :		
Cash on hand	—	—
Scheduled Bank - In Current Account	1,13,67,104	37,10,033
Total Cash and bank balances as at end of year	1,13,67,104	37,10,033

Note : The above cash flow statement has been prepared under the Indirect method" as set out in Accounting Standard - 3 on cash flow statements issued by the Institute of Chartered Accountants of India.

As per our report of attached even date

For PGS & Associates
Chartered Accountants
Firm Registration No. 122384W

Premal H. Gandhi
Partner
Membership No. 111592
Place : Mumbai
Dated : 26th April, 2018

For Motilal Oswal Asset Management (Mauritius) Pvt. Ltd

Director

Director

NOTES TO FINANCIAL STATEMENT

Summary of Significant Accounting Policies and Other Explanatory Information

Note 1 : Share Capital

	As at 31-Mar-18		As at 31-Mar-17	
	Number of Shares	(In ₹)	Number of Shares	(In ₹)
Authorised :				
Equity Shares of USD 1 each	2,55,000	1,65,32,655	2,05,000	1,32,90,750
Issued, Subscribed and Paid Up :				
Equity Shares of USD 1 each fully Paid up	2,55,000	1,65,32,655	2,05,000	1,32,90,750
Total	2,55,000	1,65,32,655	2,05,000	1,32,90,750

[All the above shares are held by Motilal Oswal Asset Management Company Limited, the holding company]

Note 2 : Reserves and Surplus

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
a) Foreign Currency Translation Reserves		
Opening balance	1,84,429	18,525
Add:- Gain/(loss) on translation during the period	30,089	1,65,904
Closing balance	2,14,518	1,84,429
b) Profit/(Deficit) in the statement of profit and loss		
Opening Balance	(1,07,30,160)	(40,32,551)
Add: Net profit / (Loss) transferred from Statement of Profit and Loss A/C	50,45,173	(66,97,608)
Closing Balance	(56,84,987)	(1,07,30,160)
Total	(54,70,469)	(1,05,45,731)

Note 3 : Trade Payable

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Other Payable	16,62,669	10,60,801
Total	16,62,669	10,60,801

Note 4 : Other Current Liability

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Creditors for Expenses	5,45,563	15,53,569
Total	5,45,563	15,53,569

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Summary of Significant Accounting Policies and Other Explanatory Information *(Contd..)*

Note 5 : Trade Receivables

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
MOIF receivables	12,00,508	–
Total	12,00,508	–

Note 6 : Cash and bank balances

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Balances with Banks		
– In Current Accounts	1,13,67,104	37,10,033
Total	1,13,67,104	37,10,033

Note 7 : Short term loans and advances

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Prepaid Expenses	5,39,787	9,10,782
Advances	–	6,52,296
Receivables	1,56,525	79,797
Total	6,96,311	16,42,876

Note 8 : Investments

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Motilal Oswal India Fund	6,495	6,480
Total	6,495	6,480

Note 9 : Revenue from operations

	Year ended 31-Mar-18 (In ₹)	Year ended 31-Mar-17 (In ₹)
Incentive Fee Income	1,69,82,465	–
Management fee	36,79,851	5,19,298
Total	2,06,62,317	5,19,298

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Summary of Significant Accounting Policies and Other Explanatory Information *(Contd..)*

Note 10 : Other Expenses

	Year ended 31-Mar-18 (In ₹)	Year ended 31-Mar-17 (In ₹)
Advisory Fee Expense	28,42,067	10,97,758
Accounting fees	1,70,837	1,57,590
Admin Fees	1,38,603	67,060
Bank charges	3,74,874	90,209
Corporate secretary fees	90,253	93,884
Directors fees	4,88,583	1,67,649
FSC fees - GBL and CIS	2,41,750	2,51,474
MLRO fees	80,583	83,825
Professional fees	–	77,119
Registered office fees	32,233	33,530
ROC Fees	21,759	22,633
Insurance Charges	2,07,969	1,08,503
Taxation fees	32,233	33,530
TRC fees	45,127	36,883
Retainer fee	–	–
Audit fees	3,16,406	2,87,015
Other Expenses	14,26,634	–
MOIF Expenses	57,53,803	46,05,699
Disbursements/Distribution Fee	31,98,774	2,548
Total	1,54,62,489	72,16,906

Notes to Financial Statement for the year ended March 31, 2018

Note 11 : Background

Motilal Oswal Asset Management (Mauritius) Pvt. Ltd (the “Company”) was incorporated on 8 January 2015 under the Mauritius Companies Act 2001 as a public company limited by shares and holds a Category 1 Global Business Licence issued by the Financial Services Commission (“FSC”) under the Financial Services Act 2007.

The Company is also licensed as a CIS Manager under the Securities Act 2005 and its principal activity is to act as Investment Manager. The Company is engaged towards holding standards of corporate governance through awareness of business ethics and supervision of its advisory team by its Board of Directors.

The transactions of the Company are denominated in US Dollars which have been converted into Indian Rupees for reporting purposes at the rate applied as per paragraph (c) of Note 2 of Significant Accounting Policies.

Note 12 : Significant accounting policies

(a) Basis of preparation

The financial statement of the Company are prepared under the historical cost convention on the accrual basis of accounting and comply in all material aspects with accounting principles generally accepted in India.

(b) Use of Estimates

The preparation of the financial statement in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities on the date of the financial statement. The estimates and assumptions used

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Notes to Financial Statement for the year ended March 31, 2018

in the accompanying financial statement are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statement. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statement. Any differences of actual results to such estimates are recognized prospectively in the current and future periods.

(c) Conversion to Indian Rupees

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

(d) Operating Leases

Lease rentals in respect of operating lease are charged to the statement of profit and loss as per the terms of the lease arrangement on a straight-line basis over the lease period.

(e) Taxes on income

Current tax is determined as the amount of tax payable in respect of taxable income for the year using the tax rates enacted or substantially enacted at the balance sheet date.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

(f) Earnings per share

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

Diluted earning per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of shares outstanding during the period as adjusted for the effects of all diluted potential equity shares.

(g) Contingencies and provisions

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(h) Incorporation and Preliminary Expenses

The Incorporation expenses and preliminary expenses related to the incorporation of the company are debited to the statement of profit & loss.

Note 13 : Taxation

No provision for the current tax has been made in view of taxable loss for the period.

Note 14 : Earnings Per Share

The numerator and denominator used to calculate basic and diluted earnings per shares are as under:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Loss attributable to equity shareholders (₹)	50,45,173	(66,97,608)
Weighted average number of equity shares outstanding during the year	41,472	2,57,480
Nominal value per share (₹)	64.83	64.83
Earnings / (Loss) per share (Basic and diluted) (₹)	121.65	(26.01)

Notes to Financial Statement for the year ended March 31, 2018

Note 15 :

During the year, The Company has issued 50,000 equity shares of USD 1 (INR 64.45) each fully paid up on 20th December, 2017. All the shares have been subscribed by its Holding Company Motilal Asset Management Company Limited.

Note 16 : Translation differences

The translation differences arising during the period on account of foreign currency have been directly taken to Reserves.

Note 17 : Related parties transactions

(i) Relationships during the period

A) Enterprises where control exists

Holding Company

- Motilal Oswal Asset Management Company Limited

Holding Company of Motilal Oswal Asset Management Company Limited

- Motilal Oswal Securities Limited

Holding Company of Motilal Oswal Securities Limited

- Motilal Oswal Financial Services Limited

Ultimate Holding Company

- Passionate Investment Management Private Limited -

B) Fellow subsidiaries

- Motilal Oswal Capital Markets Limited (formerly known as Motilal Oswal Capital Markets Private Limited)
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Fincap Private Limited (formerly known as Motilal Oswal Insurance Brokers Private Limited)
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisors Limited
- MOPE Investment Advisors Private Limited
- Motilal Oswal Wealth Management Limited
- Motilal Oswal Securities International Private Limited
- Motilal Oswal Asset Management Company
- Motilal Oswal Capital Market (Singapore) Pte Ltd.
- Motilal Oswal Real Estate Investment Advisors Private Limited
- Motilal Oswal Real Estate Investment Advisors II Private Limited
- Aspire Home Finance Corporation Limited
- India Business Excellence Management Company
- Motilal Oswal Capital Market (Hongkong) Private Limited
- Motilal Oswal Capital Limited

C) Enterprises in which key management personnel exercise significant influence

Nil

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Notes to Financial Statement for the year ended March 31, 2018

ii) Transactions with related parties for the period ended March 31, 2018

Transactions	Name of the related Party	For the year ended March 31, 2018	For the year ended March 31, 2017
Advisory Expense	Motilal Oswal Asset Management Company Limited	8,36,519	10,60,801
	Motilal Oswal Capital Limited	20,05,547	–
Payable/ Receivable	Motilal Oswal Asset Management Company Limited	–	(10,60,801)
	Motilal Oswal Capital Limited	(16,62,669)	–
Share Capital Subscribed	Motilal Oswal Asset Management Company Limited	32,41,905	84,88,142
TOTAL		15,79,236	74,27,341

Note: Income/receipts figures are shown in brackets.

Note 18 :

The following preliminary expenses and incorporation expenses are debited to Statement of Profit & Loss account:

Description of Expenses	For the year ended March 31, 2018	For the year ended March 31, 2017
Corporate secretary fees	90,253	93,884
FSC fees - GBL and CIS	2,41,750	2,51,474
MLRO fees	80,583	83,825
Registered office fees	32,233	33,530
ROC Fees	21,759	22,633
TOTAL	4,66,579	4,85,344

For PGS & Associates

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

Membership No. 111592

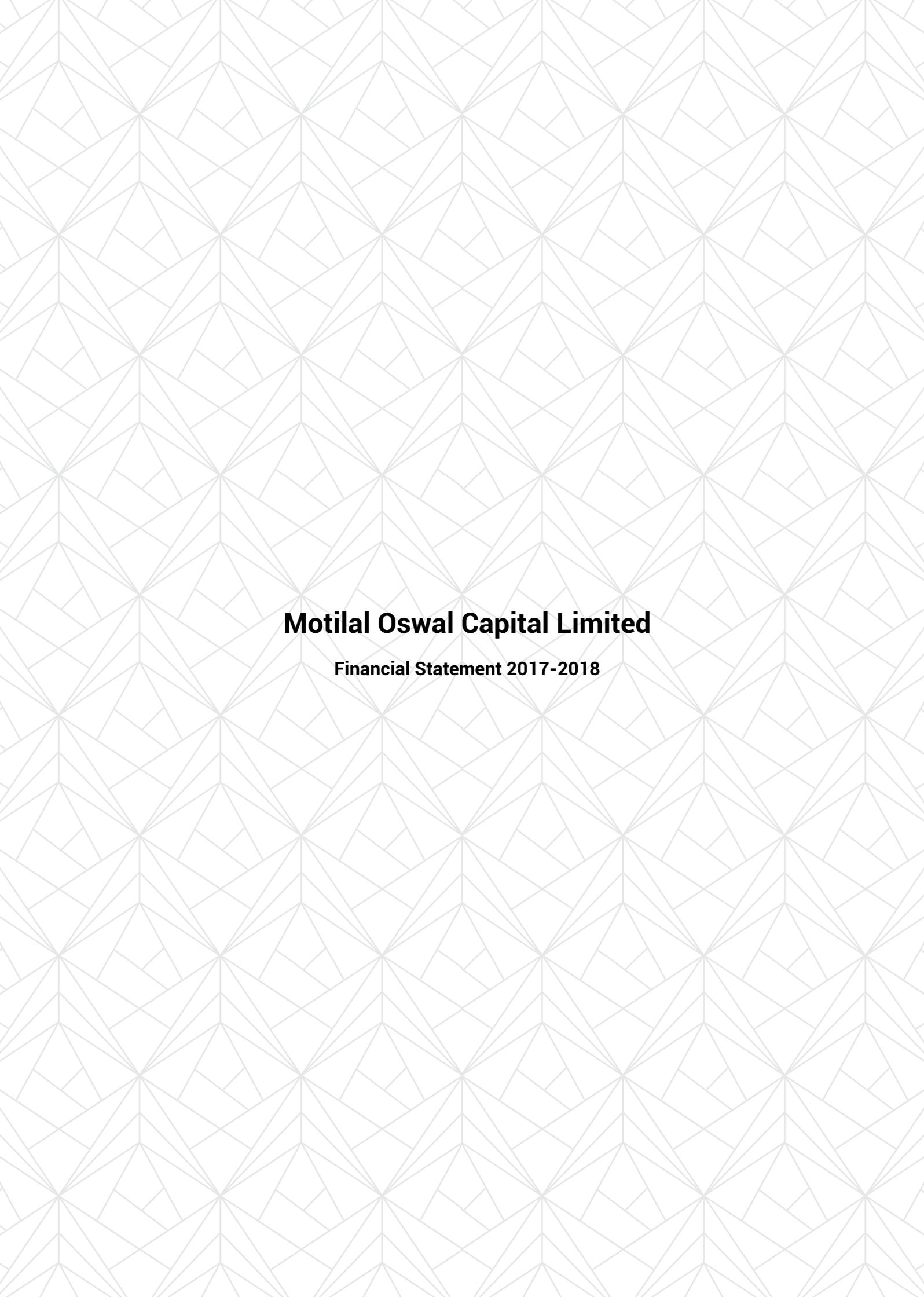
Place : Mumbai

Dated : 26th April, 2018

For Motilal Oswal Asset Management (Mauritius) Pvt. Ltd

Director

Director



Motilal Oswal Capital Limited

Financial Statement 2017-2018

INDEPENDENT AUDITORS' REPORT

To the Members of MOTILAL OSWAL CAPITAL LIMITED

Report on the Financial Statement

1. We have audited the accompanying financial statement of Motilal Oswal Capital Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its profit and its cash flows for the year ended on that date.

Other Matter

9. The financial statement of the Company for the year ended 31 March 2017 were audited by predecessor auditor of the Company, whose report dated 24 April 2017, expressed an unmodified opinion on those statements.

Report on Other Legal and Regulatory Requirements

10. 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.
11. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

INDEPENDENT AUDITORS' REPORT *(Contd..)*

- c. the financial statement dealt with by this report are in agreement with the books of account;
- d. in our opinion, the aforesaid financial statement comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the financial statement of the Company for the year ended on that date and our report dated 26 April 2018 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 does not have any pending litigation which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these financial statement. Hence, reporting under this clause is not applicable.

For **WALKER CHANDIOK & CO LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per Sudhir N. Pillai
Partner
Membership No. 105782

Place : Mumbai
Date : 26 April 2018.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

To the Independent Auditor's Report of even date to the members of Motilal Oswal Capital Limited, on the financial statement for the year ended 31 March 2018

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statement 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 does not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable.
- (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 not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
(b) There are no dues in respect of income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (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) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.
- (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 Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statement, as required by the applicable accounting standards. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **WALKER CHANDIOK & CO LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per Sudhir N. Pillai
Partner
Membership No. 105782

Place : Mumbai
Date : 26 April 2018.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

Annexure to the Independent Auditor's Report of even date to the members of Motilal Oswal Capital Limited, on the financial statement for the year ended 31 March 2018

Annexure II

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

1. In conjunction with our audit of the financial statement of Motilal Oswal Capital Limited ('the Company') as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement 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 statement. Inherent Limitations of Internal Financial Controls over Financial Reporting
7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **WALKER CHANDIOK & CO LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per Sudhir N. Pillai

Partner

Membership No. 105782

Place : Mumbai

Date : 26 April 2018.

BALANCE SHEET

Balance Sheet

Particulars	Note No.	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	10,00,000	10,00,000
(b) Reserves and surplus	4	2,30,921	(97,354)
		12,30,921	9,02,646
2. Current liabilities			
(a) Other current liabilities	5	12,14,491	1,27,200
(b) Short-term provisions	6	1,06,579	–
		13,21,070	1,27,200
		25,51,991	10,29,846
II. ASSETS			
1. Non-current assets			
(a) Deferred tax assets	7	7,800	27,046
(b) Long-term loans and advances	8	1,66,409	2,915
		1,74,209	29,961
2. Current assets			
(a) Trade receivable	9	16,78,523	–
(b) Cash and bank balances	10	6,99,259	9,99,885
		23,77,782	9,99,885
		25,51,991	10,29,846

The accompanying notes 1 to 21 form an integral part of the financial statement

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

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sudhir N. Pillai

Partner

Membership No.: 105782

Place : Mumbai

Date : 26 April 2018

For and on behalf of the Board of Directors

Motilal Oswal Capital Limited

Motilal Oswal

Director

DIN : 00024503

Place : Mumbai

Date : 26 April 2018

Aashish Somaiyaa

Director

DIN : 06705119

STATEMENT OF PROFIT AND LOSS

Statement of Profit and Loss

Particulars	Note No.	Year ended 31-Mar-18 (In ₹)	Period ended 19-Sep-16 to 31-Mar-17 (In ₹)
Revenue			
Revenue from operations	11	20,18,810	–
Other income	12	12,162	–
Total revenue		20,30,972	–
Expenses			
Other expenses	13	15,76,872	1,24,400
Total expenses		15,76,872	1,24,400
Profit/(Loss) before tax		4,54,100	(1,24,400)
Tax expense			
(a) Current tax		1,06,579	–
(b) Deferred tax expense/(credit)		19,246	(27,046)
		1,25,825	(27,046)
Profit/(Loss) after tax		3,28,275	(97,354)
Earnings/(Loss) per equity share	17		
Basic and diluted		3.28	(0.97)

The accompanying notes 1 to 21 form an integral part of the financial statement

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

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

Sudhir N. Pillai
Partner
Membership No.: 105782
Place : Mumbai
Date : 26 April 2018

For and on behalf of the Board of Directors
Motilal Oswal Capital Limited

Motilal Oswal
Director
DIN : 00024503
Place : Mumbai
Date : 26 April 2018

Aashish Somaiyaa
Director
DIN : 06705119

CASH FLOW STATEMENT

Cash Flow Statement

Particulars	Year ended 31-Mar-18 (In ₹)	Period ended 19-Sep-16 to 31-Mar-17 (In ₹)
A. Cash flow from operating activities		
Profit/(Loss) before tax	4,54,100	(1,24,400)
Adjustment for :		
Preliminary expense	—	1,04,200
Net gain on foreign currency transaction and translation	(12,162)	—
Operating profit/(loss) before working capital changes	4,41,938	(20,200)
Adjustment for working capital changes :		
Increase/(Decrease) in other current liabilities	10,87,291	1,27,200
(Increase)/Decrease in long-term loans and advances	(1,63,493)	(2,915)
(Increase)/Decrease in trade receivable	(16,66,362)	—
Net changes in working capital	(7,42,564)	1,24,285
Cash generated from/ (used in) operating activities	(3,00,626)	1,04,085
Income taxes paid	—	—
Net cash flow (used in)/ generated from operating activities	(3,00,626)	1,04,085
B. Cash flow from investing activities	—	—
C. Cash flow from financing activities		
Issue of equity shares	—	10,00,000
Preliminary expenses	—	(1,04,200)
Net cash flow from financing activities	—	8,95,800
Net (decrease)/ increase in cash and cash equivalents {(A) + (B) + (C)}	(3,00,626)	9,99,885
Cash and cash equivalent at the beginning of the year	9,99,885	—
Cash and cash equivalents at the end of the year (Refer Note no. 10)	6,99,259	9,99,885

The accompanying notes 1 to 21 form an integral part of the financial statement

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

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sudhir N. Pillai

Partner

Membership No.: 105782

Place : Mumbai

Date : 26 April 2018

For and on behalf of the Board of Directors

Motilal Oswal Capital Limited

Motilal Oswal

Director

DIN : 00024503

Place : Mumbai

Date : 26 April 2018

Aashish Somaiyaa

Director

DIN : 06705119

NOTES TO FINANCIAL STATEMENT

Summary of significant accounting policies and other explanatory information

1. Background

Motilal Oswal Capital Limited (“MOCL”/ the “Company”) was incorporated on 19 September 2016. The principal shareholder of the Company is Motilal Oswal Asset Management Company Limited (MOAMC).

The Company provides Investment Advisory to offshore clients only. The Company has received registration as an investment advisor under section 203(c) of the Investment Advisers Act of 1940 on 25 May 2017, vide SEC File No 801-110707.

Basis of preparation

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

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

2. Significant accounting policies

(a) Use of estimates

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

(b) Revenue recognition

Revenue is recognized as the services are rendered on the basis of a service agreement entered into with fellow subsidiaries on a cost plus margin based arrangement for services provided when there is reasonable certainty of its ultimate realization/ collection.

(c) Taxation

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

Current tax

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

Minimum Alternate Tax

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

Summary of significant accounting policies and other explanatory information

Deferred tax

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

(d) Earnings per share

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

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

(e) Provisions and Contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

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

(f) Foreign currency transactions

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

(g) Cash and cash equivalents

Cash and cash equivalents in Balance Sheet comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

NOTES TO FINANCIAL STATEMENT (Contd..)

Summary of significant accounting policies and other explanatory information

Note 3 : Share capital

	As at 31-Mar-18		As at 31-Mar-17	
	Numbers	(In ₹)	Numbers	(In ₹)
Authorised				
Equity shares of ₹ 10 each (Previous year ₹ 10 each)	1,00,000	10,00,000	1,00,000	10,00,000
Issued, Subscribed and Paid up				
Equity shares of ₹ 10 each fully paid up (Previous year ₹ 10 each)	1,00,000	10,00,000	1,00,000	10,00,000
	1,00,000	10,00,000	1,00,000	10,00,000

3.1 The Company has one class of shares referred to as equity shares having a par value of ₹ 10. 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.

3.2 Reconciliation of number of shares outstanding

	As at 31-Mar-18		As at 31-Mar-17	
	No. of shares	(In ₹)	No. of shares	(In ₹)
At beginning of the year	1,00,000	10,00,000	–	–
Issued during the year	–	–	1,00,000	10,00,000
At the end of the year	1,00,000	10,00,000	1,00,000	10,00,000

3.3 Shareholder having more than 5% equity holding in the company

Name of shareholder	As at 31-Mar-18		As at 31-Mar-17	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Asset Management Company Limited	99,994	99.99%	99,994	99.99%

3.4 Shares held by holding company

Name of shareholder	As at 31-Mar-18		As at 31-Mar-17	
	No. of shares held	% of holding	No. of shares held	% of holding
Motilal Oswal Asset Management Company Limited	99,994	99.99%	99,994	99.99%

Note 4 : Reserves and surplus

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Statement of Profit and Loss		
Balance at beginning of the year	(97,354)	–
Add: Transfer from Statement of Profit and Loss	3,28,275	(97,354)
Balance at the end of year	2,30,921	(97,354)

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Summary of significant accounting policies and other explanatory information

Note 5 : Other current liabilities

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Creditors for expenses	10,18,320	1,19,200
Withholding and other taxes payable	1,96,171	8,000
	<u>12,14,491</u>	<u>1,27,200</u>

Note 6 : Short-term provisions

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Other provisions		
Provision for tax	1,06,579	—
	<u>1,06,579</u>	<u>—</u>

Note 7 : Deferred tax assets

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Deferred tax assets		
On preliminary expenses	7,800	27,046
	<u>7,800</u>	<u>27,046</u>

Note 8 : Long-term loans and advances

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Indirect tax credit receivable	1,66,409	2,915
	<u>1,66,409</u>	<u>2,915</u>

Note 9 : Trade receivables

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Unsecured, considered good		
Debts outstanding for a period more than six months	—	—
Other debts	16,78,523	—
	<u>16,78,523</u>	<u>—</u>

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Summary of significant accounting policies and other explanatory information

Note 10 : Cash and bank balances

	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Balance with banks		
In current accounts	6,99,259	9,99,885
	<u>6,99,259</u>	<u>9,99,885</u>

Note 11 : Revenue from operations

	Year ended 31-Mar-18 (In ₹)	Period ended 19-Sep-16 to 31-Mar-17 (In ₹)
Advisory income	20,18,810	—
	<u>20,18,810</u>	<u>—</u>

Note 12 : Other income

	Year ended 31-Mar-18 (In ₹)	Period ended 19-Sep-16 to 31-Mar-17 (In ₹)
Net gain on foreign currency transaction and translation	12,162	—
	<u>12,162</u>	<u>—</u>

Note 13 : Other expenses

	Year ended 31-Mar-18 (In ₹)	Period ended 19-Sep-16 to 31-Mar-17 (In ₹)
Advisory expense	8,92,559	—
Legal and professional charges	6,48,373	—
Remuneration to auditors (Refer Note no. 15)	30,900	20,100
Registration and filing charges	3,800	—
Rates and taxes	1,139	—
Bank charges	100	100
Preliminary expense	—	1,04,200
	<u>15,76,872</u>	<u>1,24,400</u>

Note 14 :

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than forty five days as at the Balance Sheet date. The Micro, Small and Medium Enterprises have been identified on the basis of the information provided by the vendors to the Company.

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Summary of significant accounting policies and other explanatory information

Note 15 : Remuneration to auditors

Particulars	Year ended 31-Mar-18 (In ₹)	Period ended 19-Sep-16 to 31-Mar-17 (In ₹)
Statutory audit fees	26,000	20,100
Others	4,900	—
	<u>30,900</u>	<u>20,100</u>

Note 16 : Segment information:

The Company's principal activity is to acts as an investment advisor. In the opinion of the management separate segments under Accounting Standard 17 on "Segment Reporting", issued by the Institute of Chartered Accountants of India are not required to be reported as the Company is engaged only in one business segment.

Note 17 : Earnings/ (Loss) per share

Particulars	Year ended 31-Mar-18 (In ₹)	Period ended 19-Sep-16 to 31-Mar-17 (In ₹)
Profit/(Loss) attributable to equity shareholders (₹)	3,28,275	(97,354)
Weighted average number of equity shares outstanding during the year	1,00,000	1,00,000
Nominal value per share (₹)	10	10
Earnings/(Loss) per share (Basic and diluted) (₹)	3.28	(0.97)

Note 18 : Transactions in foreign currency

(i) Earnings in foreign currency (on accrual basis)

Particulars	Year ended 31-Mar-18 (In ₹)	Period ended 19-Sep-16 to 31-Mar-17 (In ₹)
Advisory income	20,18,810	—
	<u>20,18,810</u>	<u>—</u>

(ii) Expenditure in foreign currency (on accrual basis)

Particulars	Year ended 31-Mar-18 (In ₹)	Period ended 19-Sep-16 to 31-Mar-17 (In ₹)
Legal and professional fees	6,34,348	—
	<u>6,34,348</u>	<u>—</u>

Summary of significant accounting policies and other explanatory information

(iii) Unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure as at the reporting date

Foreign currency transactions of the Company are not hedged by derivative instruments or otherwise. The details of foreign currency exposures of the Company as at year end are:

Particulars	Currency	As at 31-Mar-18 (In ₹)	As at 31-Mar-17 (In ₹)
Trade receivables	USD	25,803	–
	INR	16,78,523	–

Note 19 : Related party disclosure:-

a. List of related parties and their relationship

(i) Holding company:

Motilal Oswal Asset Management Company Limited

(ii) Holding company of Motilal Oswal Asset Management Company Limited:

Motilal Oswal Securities Limited

(iii) Holding company of Motilal Oswal Securities Limited:

Motilal Oswal Financial Services Limited

(iv) Ultimate holding company:

Passionate Investment Management Private Limited

(v) Fellow subsidiaries:

Motilal Oswal Capital Markets Private Limited

Motilal Oswal Fincap Private Limited (Formerly known as Motilal Oswal Insurance Broker Private Limited)

Motilal Oswal Commodities Broker Private Limited

Motilal Oswal Investment Advisors Limited

MOPE Investment Advisors Private Limited

Motilal Oswal Real Estate Investment Advisors Private Limited

Motilal Oswal Real Estate Investment Advisors II Private Limited

India Business Excellence Management Company

Motilal Oswal Wealth Management Limited

Motilal Oswal Capital Markets (Hong Kong) Private Limited

Motilal Oswal Capital Markets Singapore Pte Limited

Motilal Oswal Securities International Private Limited

Aspire Home Finance Corporation Limited

Motilal Oswal Trustee Company Limited

Motilal Oswal Asset Management (Mauritius) Private Limited

Nagori Agro and Cattle Feeds Private Limited

(vi) Key Management Personnel (KMP)

Motilal Oswal – Director

Aashish Somaiyaa - Director

NOTES TO FINANCIAL STATEMENT *(Contd..)*

Summary of significant accounting policies and other explanatory information

(v) Enterprises in which KMP and their relatives exercise significant influence

Motilal Oswal Foundation

Motilal Oswal HUF

(vi) Associate enterprises

Indian Reality Excellence Fund II LLP

b. Transaction and balances with related parties

Nature of transaction	Name of the related party	Holding company/Fellow subsidiary	
		For the Year ended 31-Mar-18 (In ₹)	For the Period ended 19-Sep-16 to 31- Mar-17 (In ₹)
Advisory income	Motilal Oswal Asset Management (Mauritius) Private Limited	20,18,810	—
Advisory expense	Motilal Oswal Asset Management Company Limited	8,92,559	—
Issue of equity shares	Motilal Oswal Asset Management Company Limited	—	10,00,000
Outstanding balances	Name of the related party	Holding company/Fellow subsidiary	
		At at 31-Mar-18 (In ₹)	At at 31-Mar-17 (In ₹)
Creditor for expenses	Motilal Oswal Asset Management Company Limited	9,93,008	98,200
Trade receivable	Motilal Oswal Asset Management (Mauritius) Private Limited	16,78,523	—

Note 20 :

During the year the Company has entered into an agreement with Motilal Oswal Asset Management Company (Mauritius) Private Limited, where the Company will act as an Advisor to the Funds managed by Motilal Oswal Asset Management Company (Mauritius) Private Limited.

Note 21 :

The Company was formed on 19 September 2016. Hence, previous period's figures are not comparable.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sudhir N. Pillai

Partner

Membership No.: 105782

Place : Mumbai

Date : 26 April 2018

For and on behalf of the Board of Directors

Motilal Oswal Capital Limited

Motilal Oswal

Director

DIN : 00024503

Place : Mumbai

Date : 26 April 2018

Aashish Somaiyaa

Director

DIN : 06705119



Motilal Oswal Trustee Company Limited

Financial Statement 2017-2018

INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report on the Financial Statement

To the Members of MOTILAL OSWAL TRUSTEE COMPANY LIMITED

Report on the Financial Statement

1. We have audited the accompanying financial statement of Motilal Oswal Trustee Company Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its profit and its cash flows for the year ended on that date.

Other Matter

9. The financial statement of the Company for the year ended 31 March 2017 were audited by predecessor auditor of the Company, whose report dated 26 April 2017, expressed an unmodified opinion on those statements.

Report on Other Legal and Regulatory Requirements

10. 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.
11. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

INDEPENDENT AUDITORS' REPORT *(Contd..)*

Independent Auditors' Report on the Financial Statement *(Contd..)*

- c. the financial statement dealt with by this report are in agreement with the books of account;
- d. in our opinion, the aforesaid financial statement comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;
- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the financial statement of the Company for the year ended on that date and our report dated 26 April 2018 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 does not have any pending litigation which would impact its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period 8 November 2016 to 30 December 2016, which are not relevant to these financial statement. Hence, reporting under this clause is not applicable.

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

per **Sudhir N. Pillai**
Partner
Membership No.: 105782

Place: Mumbai
Date: 26 April 2018

Independent Auditors' Report on the Financial Statement *(Contd..)*

Annexure to the Independent Auditor's Report of even date to the members of Motilal Oswal Trustee Company Limited, on the financial statement for the year ended 31 March 2018

Annexure I

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any immovable property (in nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.
- (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 not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (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) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.
- (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, the Company has not entered into any transactions with the related parties. Accordingly, provisions of clause 3(xiii) of the Order are not applicable.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

Independent Auditors' Report on the Financial Statement *(Contd..)*

- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

per **Sudhir N. Pillai**
Partner
Membership No.: 105782

Place: Mumbai
Date: 26 April 2018

Independent Auditors' Report on the Financial Statement *(Contd.)*

Annexure to the Independent Auditor's Report of even date to the members of Motilal Oswal Trustee Company Limited, on the financial statement for the year ended 31 March 2018

Annexure II

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

1. In conjunction with our audit of financial statement of Motilal Oswal Trustee Company Limited ('the Company') as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement 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 statement.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

INDEPENDENT AUDITORS' REPORT *(Contd..)*

Independent Auditors' Report on the Financial Statement *(Contd..)*

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Sudhir N. Pillai**

Partner

Membership No.: 105782

Place: Mumbai

Date: 26 April 2018

BALANCE SHEET

Balance Sheet

Particulars	Note No.	As at 31-Mar-2018 In (₹)	As at 31-Mar-2017 In (₹)
I. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	10,00,000	10,00,000
(b) Reserves and surplus	4	15,77,337	15,72,491
		25,77,337	25,72,491
2. Non-current liabilities			
(a) Deferred tax liabilities	9	–	6,469
		–	6,469
3. Current liabilities			
(a) Other current liabilities	5	44,555	73,776
		44,555	73,776
		26,21,892	26,52,736
II. ASSETS			
1. Non-current assets:			
(a) Property, plant and equipment	6	29,944	81,282
(b) Long-term loans and advances	7	69,241	56,272
(c) Non-current investments	8	20,00,000	20,00,000
(d) Deferred tax assets	9	976	–
		21,00,161	21,37,554
2. Current assets			
(a) Trade receivables	10	91,727	66,171
(b) Cash and bank balances	11	3,49,401	3,79,901
(c) Short-term loans and advances	12	80,603	69,110
		5,21,731	5,15,182
		26,21,892	26,52,736

The accompanying notes 1 to 21 form an integral part of the financial statement

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

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sudhir N. Pillai

Partner

Membership No.: 105782

Place : Mumbai

Dated : 26th April, 2018

For and on behalf of the Board of Directors

Motilal Oswal Trustee Company Limited

Motilal Oswal

Chairman

DIN : 00024503

Sunil Goyal

Director

DIN: 00503570

STATEMENT OF PROFIT AND LOSS

Statement of Profit and Loss

Particulars	Note No.	Year ended 31-Mar-2018 In (₹)	Year ended 31-Mar-2017 In (₹)
Revenue			
(a) Revenue from operations	13	7,01,374	9,08,200
(b) Other income	14	16,264	77,738
Total revenue		7,17,638	9,85,938
Expenses			
(a) Other expenses	15	6,44,394	4,45,901
(b) Depreciation	6	51,338	59,118
Total expenses		6,95,732	5,05,019
Profit before tax		21,906	4,80,919
Tax expense			
(a) Current tax		13,076	136,146
(b) Deferred tax		(7,445)	6,469
(c) Income tax for earlier years		11,429	(6,506)
		17,060	1,36,109
Profit after tax		4,846	3,44,810
Earnings per equity share	19	3.45	6.06
Basic and diluted		0.05	3.45

The accompanying notes 1 to 21 form an integral part of the financial statement

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

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sudhir N. Pillai

Partner

Membership No.: 105782

Place : Mumbai

Dated : 26th April, 2018

For and on behalf of the Board of Directors

Motilal Oswal Trustee Company Limited

Motilal Oswal

Chairman

DIN : 00024503

Sunil Goyal

Director

DIN: 00503570

CASH FLOW STATEMENT

Cash Flow Statement

Particulars	Year ended 31-Mar-2018 In (₹)	Year ended 31-Mar-2017 In (₹)
A. Cash flow from operating activities		
Profit before tax	21,906	4,80,919
Adjustment for		
Depreciation	51,338	59,118
Interest received on fixed deposits	–	(72,548)
Operating profit/(loss) before working capital changes	51,338	(13,430)
Changes in working capital		
Increase/(Decrease) in other current liabilities	(22,015)	34
(Increase)/Decrease in trade receivables	(25,556)	(62,486)
(Increase)/Decrease in short-term loans and advances	(11,494)	(24,067)
(Increase)/Decrease in long-term loans and advances	–	21,447
Net changes in working capital	(59,065)	(65,072)
Cash generated from operating activities	14,179	4,02,417
Income taxes paid (net of refunds)	(44,679)	(68,338)
Taxes Paid (Net of Refunds)	(68,338)	4,80,406
Net cash flow (used in)/ generated from operating activities	(30,500)	3,34,079
B. Cash flow from investing activities		
Interest income on fixed deposits	–	72,548
Purchase of non-current investments	–	(20,00,000)
Purchase of property, plant and equipment	–	(1,40,400)
Net cash flow (used in) investing activities	–	(20,67,852)
C. Cash flow from financing activities		
Net (decrease) in cash and cash equivalents {(A) + (B) + (C)}	(30,500)	(17,33,773)
Cash and cash equivalents at the beginning of the year	3,79,901	21,13,674
Cash and cash equivalents at the end of the year (Refer Note no. 11)	3,49,401	3,79,901

The accompanying notes 1 to 21 form an integral part of the financial statement

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

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sudhir N. Pillai

Partner

Membership No.: 105782

Place : Mumbai

Dated : 26th April, 2018

For and on behalf of the Board of Directors

Motilal Oswal Trustee Company Limited

Motilal Oswal

Chairman

DIN : 00024503

Sunil Goyal

Director

DIN: 00503570

NOTES TO FINANCIAL STATEMENT

Summary of Significant Accounting Policies and Other Explanatory Information (Contd..)

Note 1 : Background

Motilal Oswal Trustee Company Limited ("MOTC"/the "Company") was incorporated on 14 November 2008. The principal shareholder of the Company is Motilal Oswal Securities Limited (MOSL).

The Company acts as the Trustee to Motilal Oswal Mutual Fund vide Trust Deed dated 21 May 2009. Security Exchange Board of India ("SEBI") has granted registration to Motilal Oswal Mutual Fund under SEBI (Mutual Funds) Regulations, 1996 vide Registration No. MF/063/09/04 dated 29 December 2009.

Basis of preparation

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

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

Note 2 : Significant accounting policies

(a) Use of estimates

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

(b) Property, Plant and Equipment (PPE)

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

Depreciation

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

(c) Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If such an indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

(d) Investments

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

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

NOTES TO FINANCIAL STATEMENT

Summary of Significant Accounting Policies and Other Explanatory Information (Contd..)

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

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

(e) Revenue recognition

Revenue is recognized when there is reasonable certainty of its ultimate realization/collection.

– Trustee fees

Trustee fees are recognized on an accrual basis, at the specific rates/amount approved by the Board of Directors of the Company, within the limits specified under the Trust Deed and is applied on the assets under management of each scheme of Motilal Oswal Mutual Fund.

Trustee fee are shown net of service tax/goods and service tax.

– Interest income

Interest income is recognised on time proportionate basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.

(f) Taxation

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

Current tax

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

Minimum Alternate Tax

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

Deferred tax

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

(g) Earnings per share

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

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

NOTES TO FINANCIAL STATEMENT

Summary of Significant Accounting Policies and Other Explanatory Information (Contd..)

(h) Provisions and Contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

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

(i) Cash and cash equivalents

Cash and cash equivalents in Balance Sheet comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Note 3 : Share Capital

	As at 31-Mar-2018		As at 31-Mar-2017	
	Number of Shares	(₹)	Number of Shares	(₹)
Authorised				
Equity shares of ₹ 10 each (Previous year ₹ 10 each)	1,00,000	10,00,000	1,00,000	10,00,000
	1,00,000	10,00,000	1,00,000	10,00,000
Issued, Subscribed and Paid up				
Equity shares of ₹ 10 each fully paid up (Previous year ₹ 10 each)	1,00,000	10,00,000	1,00,000	10,00,000
	1,00,000	10,00,000	1,00,000	10,00,000

3.1 There are no shares reserved for issue under options or shares allotted as fully paid up by way of bonus shares or shares allotted as fully paid up pursuant to contracts without payment being received in cash (since incorporation of the Company).

3.2 Reconciliation of number of shares outstanding

	As at 31-Mar-2018		As at 31-Mar-2017	
	Number of Shares	(₹)	Number of Shares	(₹)
At beginning of the year	1,00,000	10,00,000	1,00,000	10,00,000
Additions during the year	–	–	–	–
At the end of the year	1,00,000	10,00,000	1,00,000	10,00,000

3.3 Shareholder having more than 5% equity holding in the Company

Name of Shareholder	As at 31-Mar-2018		As at 31-Mar-2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Motilal Oswal Securities Limited	1,00,000	100%	1,00,000	100%

NOTES TO FINANCIAL STATEMENT

Summary of Significant Accounting Policies and Other Explanatory Information (Contd..)

3.4 Shares held by holding company

Name of Shareholder	As at 31-Mar-2018		As at 31-Mar-2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Motilal Oswal Securities Limited	1,00,000	100%	1,00,000	100%

3.5 Rights of shareholders

The Company has one class of shares referred to as equity shares having a par value of ₹ 10. 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.

Note 4: Reserves and Surplus

Particulars	As at 31-Mar-2018 (₹)	As at 31-Mar-2017 (₹)
Statement of Profit and Loss		
Balance at beginning of the year	15,72,491	12,27,681
Add: Transfer from Statement of Profit and Loss	4,846	3,44,810
Balance at the end of year	15,77,337	15,72,491

Note 5: Other Current Liabilities

Particulars	As at 31-Mar-2018 (₹)	As at 31-Mar-2017 (₹)
Creditors for expenses	40,804	62,819
Withholding and other taxes payable	3,751	10,957
	44,555	73,776

Note 6: Property, Plant and Equipment

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at 1-Apr-17	Additions	Deductions	As at 31-Mar-18	As at 1-Apr-17	Additions	Deductions	As at 31-Mar-18	As at 31-Mar-18	As at 31-Mar-17
Computer	1,40,400	-	-	1,40,400	59,118	51,338	-	1,10,456	29,944	81,282
TOTAL	1,40,400	-	-	1,40,400	59,118	51,338	-	1,10,456	29,944	81,282

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at 1 Apr-16	Additions	Deductions	As at 31-Mar-17	As at 1 Apr-16	Additions	Deductions	As at 31-Mar-17	As at 31-Mar-17	As at 31-Mar-16
Computer	-	1,40,400	-	1,40,400	-	59,118	-	59,118	81,282	-
TOTAL	-	1,40,400	-	1,40,400	-	59,118	-	59,118	81,282	-

NOTES TO FINANCIAL STATEMENT

Summary of Significant Accounting Policies and Other Explanatory Information (Contd..)

Note 7 : Long Term Loans and Advances

Particulars	As at 31-Mar-2018 (₹)	As at 31-Mar-2017 (₹)
Other loans and advances (Unsecured, considered good)		
Advance tax (net of provision)	69,241	56,272
	<u>69,241</u>	<u>56,272</u>

Note 8 : Non-Current Investments

Particulars	As at 31-Mar-2018 (₹)	As at 31-Mar-2017 (₹)
Investment in mutual fund		
At cost, unquoted		
Motilal Oswal Multicap 35 Fund - Direct Growth Option (97,159.069 units as at 31 March 2018 with NAV of ₹ 27.3251 Previous year- 97,159.069 units as at 31 March 2017 with NAV of ₹ 23.4327)	20,00,000	20,00,000
	<u>20,00,000</u>	<u>—</u>
NAV of unquoted investments	<u>26,54,881</u>	<u>22,76,699</u>

Note 9 : Deferred Tax assets/liabilities

Particulars	As at 31-Mar-2018 (₹)	As at 31-Mar-2017 (₹)
Deferred tax assets		
Timing difference on property, plant and equipment	976	—
	<u>976</u>	<u>—</u>
Deferred tax liabilities		
Timing difference on property, plant and equipment	—	6,469
	<u>—</u>	<u>6,469</u>

Note 10 : Trade Receivables

Particulars	As at 31-Mar-2018 (₹)	As at 31-Mar-2017 (₹)
Unsecured, considered good		
Debts outstanding for a period more than six months	—	—
Other debts	91,727	66,171
	<u>91,727</u>	<u>66,171</u>

Note 11 : Cash and Bank Balances

Particulars	As at 31-Mar-2018 (₹)	As at 31-Mar-2017 (₹)
Balance with banks		
In current accounts	3,49,401	3,79,901
	<u>3,49,401</u>	<u>3,79,901</u>

NOTES TO FINANCIAL STATEMENT

Summary of Significant Accounting Policies and Other Explanatory Information (Contd..)

Note 12 : Short-term Loans and Advances

Particulars	As at 31-Mar-2018 (₹)	As at 31-Mar-2017 (₹)
Unsecured, considered good		
Prepaid expenses	–	1,999
Taxes receivable	80,603	67,111
	<u>80,603</u>	<u>69,110</u>

Note 13 : Revenue from Operations

Particulars	Year ended 31-Mar-2018 (₹)	Year ended 31- Mar-2017 (₹)
Sale of services		
Trustee fees	7,01,374	9,08,200
	<u>7,01,374</u>	<u>9,08,200</u>

Note 14 : Other Income

Particulars	Year ended 31-Mar-2018 (₹)	Year ended 31- Mar-2017 (₹)
Interest received on deposits with banks	–	72,548
Interest on income tax refund	2,017	5,190
Sundry balances written back	14,247	–
	<u>16,264</u>	<u>77,738</u>

Note 15 : Other Expenses

Particulars	Year ended 31-Mar-2018 (₹)	Year ended 31- Mar-2017 (₹)
Legal and professional fees	58,805	65,632
Auditors remuneration (Refer Note no. 17)	26,219	25,124
Rates and taxes	6,441	2,106
Director sitting fees	5,50,232	3,51,750
Filing fees	400	1,200
Miscellaneous expenses	2,297	89
	<u>6,44,394</u>	<u>4,45,901</u>

NOTES TO FINANCIAL STATEMENT

Summary of Significant Accounting Policies and Other Explanatory Information (Contd..)

Note 16 :

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than forty five days as at the Balance Sheet date. The Micro, Small and Medium Enterprises have been identified on the basis of the information provided by the vendors to the Company.

Note 17 : Auditors' Remuneration

Particulars	Year ended 31-Mar-2018 (₹)	Year ended 31-Mar-2017 (₹)
Statutory audit fees	20,000	25,124
Others	6,219	—
	<u>26,219</u>	<u>25,124</u>

Note 18 : Segment Information

The Company's principal activity is to acts as a Trustee for the schemes of Motilal Oswal Mutual Fund. In the opinion of the management separate segments under Accounting Standard 17 on "Segment Reporting", issued by the Institute of Chartered Accountants of India are not required to be reported as the Company is engaged only in one business segment.

Note 19 : Earnings per equity share

Particulars	Year ended 31-Mar-2018 (₹)	Year ended 31-Mar-2017 (₹)
Profit attributable to equity shareholders (in Rupees)	4,846	3,44,810
Weighted average number of equity shares outstanding during the year	1,00,000	1,00,000
Nominal value per share (in Rupees)	10	10
Earnings per share (Basic and diluted) (in Rupees)	0.05	3.45

Note 20 : Related Party Disclosure

Names of Related Parties:-

a. List of related parties and their relationship

(i) Holding company:

Motilal Oswal Securities Limited

(ii) Holding company of Motilal Oswal Securities Limited:

Motilal Oswal Financial Services Limited

(iii) Ultimate holding company:

Passionate Investment Management Private Limited

(iv) Fellow subsidiaries:

Motilal Oswal Capital Markets Private Limited

Motilal Oswal Asset Management Company Limited

Motilal Oswal Fincap Private Limited (Formerly known as Motilal Oswal Insurance Brokers Private Limited)

Motilal Oswal Commodities Broker Private Limited

Motilal Oswal Investment Advisors Limited

MOPE Investment Advisors Private Limited

NOTES TO FINANCIAL STATEMENT

Summary of Significant Accounting Policies and Other Explanatory Information (Contd..)

Motilal Oswal Real Estate Investment Advisors Private Limited
Motilal Oswal Real Estate Investment Advisors II Private Limited
India Business Excellence Management Company
Motilal Oswal Wealth Management Limited
Motilal Oswal Capital Markets (Hongkong) Private Limited
Motilal Oswal Capital Markets Singapore Pte Limited
Motilal Oswal Securities International Private Limited
Aspire Home Finance Corporation Limited
Motilal Oswal Asset Management (Mauritius) Private Limited
Nagori Agro and Cattle Feeds Private Limited
Motilal Oswal Capital Limited

(v) Key Management Personnel (KMP)

Motilal Oswal – Chairman

(vi) Enterprises in which key managerial personnel have control

Motilal Oswal Foundation

Motilal Oswal HUF

(vii) Associate enterprises

Indian Reality Excellence Fund II LLP

b. Transactions and balances with related parties

There are no transactions for the year ended 31 March 2018 and 31 March 2017. Additionally there are no balances outstanding as at 31 March 2018 and 31 March 2017

Note 21 :

Previous year figures have been reclassified and regrouped wherever necessary to confirm to current year's presentation

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sudhir N. Pillai

Partner

Membership No.: 105782

Place : Mumbai

Dated : 26th April, 2018

For and on behalf of the Board of Directors

Motilal Oswal Trustee Company Limited

Motilal Oswal

Chairman

DIN : 00024503

Sunil Goyal

Director

DIN: 00503570



SUBSIDIARY COMPANIES
FINANCIAL STATEMENTS 2017-18

www.motilaloswalgroup.com