

Nurtured with Knowledge



Nurturing Growth

India, over the past year has remained an attractive investment destination despite slow down in global growth.

For Motilal Oswal Group too, it's been a year of growth. The seeds of growth by way of technology and processes that have been planted in the business are now bearing fruit. With landmark achievements and our constant focus on research, the key drivers of our growth, our nurturing of the business with knowledge capital is now adding to the overall business contribution to create a tree of knowledge that provides fruitful returns to customers, investors, partners and employees.

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Motilal Oswal Securities Limited

Annual Report 2015-2016

To the Members,

Your Directors have pleasure in presenting their 22nd Report together with the audited Financial Statement of your Company for the year ended 31st March, 2016.

Financial Highlights

The Standalone Financial Highlights for the year is as under:

Particulars	Amount (₹ in millions)	
	Year ended 31st March, 2016	Year ended 31st March, 2015
Revenue	5,505.07	5,425.61
Profit before Interest, Depreciation, Taxation and exceptional items	1,485.25	1,815.68
Less: Interest	456.67	118.47
Less: Depreciation	234.59	203.72
Profit before Taxation and exceptional items	793.99	1,492.99
Less: Exceptional Items	–	–
Profit before taxation	793.99	1,492.99
Less : Provision for Taxation		
Current Tax	205.72	421.34
Deferred Tax	(17.19)	14.93
Tax for earlier year(s)	–	(24.51)
Profit after Taxation, before extraordinary items for the year	605.46	1,081.23
Profit after Taxation, before minority Interest	605.46	1,081.23
Profit after Taxation and minority Interest	605.46	1,081.23
Balance brought forward from previous year	6,672.49	6,154.50
Less: Transition Provision of Depreciation	–	16.66
Profit Available for appropriation	605.46	1,081.23
Less: Proposed Dividend	–	139.80
Less: Interim Dividend	–	277.16
Less: Dividend Distribution Tax	–	75.56
Less: Transfer to General Reserve	–	54.06
Balance of Profit carried forward	7,277.95	6,672.49

State of Company's Affairs

During the year under review, Motilal Oswal Securities Limited (MOSL) recorded total revenues of ₹ 5505.07 million, an increase of 1.46% from the previous year.

- Broking and related revenues decreased marginally by 0.02% to ₹ 4264.14 million this year. Average daily volumes in the equity markets were ₹ 3.01 tn in FY2016, down 9.97% from last year. Cash volumes in the market dipped 5.56% YoY to ₹ 201.50 bn. Within cash, delivery declined 6.35% YoY to ₹ 60.71 bn. However, cash volumes are still 50.13% higher than the average seen between FY2012-2014 and delivery volumes are still 55.43% higher than the FY2012-2014 average. Within derivatives volumes in the market, futures dipped 2.18% YoY to ₹ 502.08 bn. This year, options were down 11.86% YoY to ₹ 2.30 tn, a reversal from recent years when options alone led the growth in the overall market volumes. Amongst cash participants in the market, retail and prop segments saw declines of 8.33% and 7.46% YoY respectively. DII cash volumes increased 1.93% YoY, led by renewed retail interest in equity mutual funds. The proportion of retail within cash volumes decreased from 50.36% to 48.88% YoY. Our overall equity market share increased from 1.51% to 1.96% on a YoY basis. Due to our continued focus and investments into this business, we succeeded in capturing a larger chunk of the incremental volumes this year across both cash and derivatives. As of 31st March, 2016, our client base included more than 788,000 retail broking and distribution clients and 590 institutions. Our Pan-India distribution reach stood at 2,000+ business locations across 511 cities.

BOARD'S REPORT (Contd..)

- PMS distribution fees increased by 5.17% to ₹ 216.24 million.
- Profit from sale of investments increased by 17.90% to ₹ 306.21 million.
- Dividend income declined by 61.73% to ₹ 28.35 million.
- Partnership gains increased by 496.75% to ₹ 93.95 million.
- Other operating income registered an increase of 28.42% to ₹ 562.01 million.
- Other income decreased by 70.01% to ₹ 37.37 million.

In terms of expense items, operating expenses declined by 1.66% to ₹ 1627.81 million. Personnel costs increased by 22.64% to ₹ 1388.77 million due to increased hiring in the retail broking & distribution business. Administration and other expenses increased by 22.02% to ₹1003.24 million, largely due to increased rent, communications and marketing expenses. As a result, total expenditure (before depreciation, interest and exceptional item) increased by 11.35% to ₹ 4019.82 million.

Profit before interest, depreciation and exceptional items decreased by 18.18% to ₹ 1485.25 million this year. Interest costs went up by 285.42% to ₹ 456.67 million. Reported net profit for the year stood at ₹ 605.46 million, a decrease of 44.00%.

Future Outlook

While the new government launched several initiatives to drive growth, investments and competitiveness and has controlled the macro situation, several challenges still persist. Urban consumption, rural consumption and exports are expected to fuel the incremental growth in the economy. However, the rural economy has been badly hit by drought. Exports growth remains sluggish. The urban consumer base itself has to expand further. Nevertheless, with the commodity slump, unemployment and sanctions hitting BRICS peers, India looks relatively attractive. Nifty has outperformed most Emerging Market peers in US\$ terms on a 10-Year basis, despite short-term vagaries. While FIIs pulled out monies this year due to profit booking, migration towards safer assets and reduction in emerging market exposure, it was countered by strong inflows from DIIs, which saw a surge of retail investor interest into equity mutual funds. As reforms gain speed, the capex cycle should gather momentum and give a further fill-up to primary market activity.

Our investments into competencies during the recent quarters are leading to tangible business outcomes, and we remain on course in creating a fair mix of capital markets, annuity-driven and stable businesses. We have gained significant traction across asset mobilization and market share and remain optimistic in our ability to capture the growth opportunities as they unfold further.

Credit Rating

During the year, CRISIL Limited reaffirmed the Credit Rating of "CRISIL A1+" to the Commercial Programme of ₹ 7.00 bn of Motilal Oswal Securities Limited.

Dividend and Reserves

During the Financial Year 2015-16, no interim dividend has been paid and the Board does not recommend any amount to be paid by way of Final Dividend.

Deposits and Loans / Advances

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

The Company has not made any loans / advances which is required to be disclosed in the annual accounts of the Company pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

Details of Subsidiaries

Consolidation of Accounts of Subsidiary Companies

The Company being the wholly owned subsidiary of Motilal Oswal Financial Services Limited is not required to prepare consolidated financial statements.

The Company has the following subsidiary companies as on 31st March, 2016:

1. Motilal Oswal Capital Markets Private Limited
2. Motilal Oswal Asset Management Company Limited
3. Motilal Oswal Trustee Company Limited
4. Motilal Oswal Wealth Management Limited
5. Motilal Oswal Securities International Private Limited

6. Motilal Oswal Capital Markets (Hong Kong) Private Limited
7. Motilal Oswal Capital Markets (Singapore) Pte. Limited
8. Aspire Home Finance Corporation Limited* (AHFCL)
9. Motilal Oswal Asset Management (Mauritius) Private Limited

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

Pursuant to the provisions of Section 129(3) and Companies (Accounts) Rules, 2014, of the Companies Act, 2013, the financial performance of each of the subsidiaries is annexed herewith to this Report as "**Annexure 1**".

**The company's stake in Aspire Home Finance Corporation Limited stood at 81.57% as on 31st March, 2016, on account of issuance of Equity Shares by AHFCL, on Private Placement basis to the company's holding company, Motilal Oswal Financial Services Limited along with other Shareholders.*

Directors

Mr. Ajay Menon, Whole-time Director of the Company, was appointed as Managing Director and Chief Executive Officer for a period of 5 years w.e.f. 2nd November, 2015, pursuant to approval given by the Shareholders of the company in the meeting held on 31st October, 2015.

Mr. Harsh Joshi, Whole-time Director of the Company, was re-appointed as Whole Time Director for a period of 5 years, w.e.f. 20th October, 2015, pursuant to approval granted by the Shareholders of the company in the meeting held on 5th September, 2015.

Due to his pre-occupation, Mr. Balkumar Agarwal, Independent Director, expressed his inability to continue further as Independent Director for another term. Accordingly, he ceased to be a Director with effect from 31st July, 2015.

Mr. Praveen Tripathi was appointed as Independent Director of the company, for a term of 5 years, in the Annual General Meeting of the company held on 31st July, 2015.

Mrs. Rekha Shah, Additional Director of the company, was appointed as Independent Director, for a term of 2 years, pursuant to resolution passed by the Shareholders of the company, in the Annual General Meeting held on 31st July, 2015.

Mr. Sudhir Dhar, Additional Director of the company, was appointed as Director (Non Executive) by the Shareholders of the company in the Annual General Meeting, held on 31st July, 2015.

Statement of Declaration by Independent Directors under section 149(7) of Companies Act, 2013

The Company has received the statement of declaration under sections 149(7) of the Companies Act, 2013 from Mr. Praveen Tripathi and Mrs. Rekha Shah, Independent Directors of the Company.

Committees of the Board

1) Audit Committee

The Company constituted the Audit Committee comprising of Mr. Praveen Tripathi (Chairman of the Committee), Mr. Harsh Joshi and Mrs. Rekha Shah as Members of the Committee.

The Committee constituted shall undertake the following activities / terms of reference which shall be inclusive but not limited to the following terms:

1. To recommend appointment, remuneration and terms of appointment of auditors of the company;
2. To review and monitor the auditor's independence and performance and effectiveness of audit process
3. To examine and review the annual financial statement and the auditors' report thereon;
4. To approve transactions of the company with related parties or any subsequent modification thereof;
5. To scrutinize inter-corporate loans and investments;
6. Valuation of undertakings or assets of the company, wherever it is necessary;
7. To evaluate internal financial controls and risk management systems;
8. To monitor the end use of funds raised through public offers and related matters;
9. To oversee the working of vigil mechanism.

BOARD'S REPORT (Contd..)

The Composition of the Audit Committee and details of participation of the Members at the Meetings of the Committee during the year were as under:

Name of the member	Category	No. of meetings held	No. of meetings attended
Mr. Praveen Tripathi (Appointed w.e.f. 31st July, 2015)	Independent Director	3	3
Mrs. Rekha Shah	Independent Director	4	4
Mr. Harsh Joshi	Whole-Time Director	4	4
Mr. Balkumar Agarwal (ceased w.e.f. 31st July, 2015)	Independent Director	1	1

2) Nomination and Remuneration Committee

The Company's Nomination and Remuneration Committee of the Board of Directors comprises of Mr. Praveen Tripathi (Chairman of the Committee), Mr. Sudhir Dhar, Mrs. Rekha Shah and Mr. Ajay Menon as Members of the Committee.

The Committee constituted shall undertake the following activities / terms of reference which shall be inclusive but not limited to the following terms: -

1. Formulate criteria to qualify individuals who may become director or who may be appointed in senior management level of the Company and recommend to the Board their appointments and removal.
2. Carry out performance evaluation of all Directors.
3. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
4. Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. The policy shall be referred as Nomination and Remuneration policy.

The Composition of the Nomination and Remuneration Committee and details of participation of the Members at the Meetings of the Committee during the year were as under:

Name of the member	Category	No. of meetings held	No. of meetings attended
Mr. Praveen Tripathi (Appointed w.e.f. 31st July, 2015)	Independent Director	2	2
Mrs. Rekha Shah	Independent Director	3	3
Mr. Sudhir Dhar	Non-Executive Director	3	2
Mr. Ajay Menon	Managing Director	3	2
Mr. Balkumar Agarwal (ceased w.e.f. 31st July, 2015)	Independent Director	1	1

3) Corporate Social Responsibility (CSR Committee)

The Company's Corporate Social Responsibility (CSR Committee) of the Board of Directors comprises of Mr. Praveen Tripathi (Chairman of the Committee), Mr. Ajay Menon and Mr. Harsh Joshi as the members of the Committee.

The Committee shall undertake the following activities / terms of reference which shall be inclusive but not limited to the following terms: -

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

The Composition of the Corporate Social Responsibility Committee and details of participation of the Members at the Meetings

of the Committee during the year were as under:

Name of the member	Category	No. of meetings held	No. of meetings attended
Mr. Praveen Tripathi (Appointed w.e.f. 31st July, 2015)	Independent Director	1	1
Mr. Ajay Menon	Managing Director	2	1
Mr. Harsh Joshi	Whole-Time Director	2	2
Mr. Balkumar Agarwal (ceased w.e.f. 31st July, 2015)	Independent Director	1	1

4) Investment Committee

The Company constituted the Investment Committee of the Board of Directors comprising of Mr. Ajay Menon (Chairman of the Committee), Mr. Harsh Joshi, Mr. Sudhir Dhar and Mr. Motilal Oswal as members of the Committee.

The Committee is authorised to grant, sign and certify the comfort letter issued by the Company to various banks in the format as required by the respective Bank in consultation with the Company, in connection with the credit facilities availed from Banks by Aspire Home Finance Corporation Limited (AHFCL), subsidiary company and other holding companies, subsidiary companies, associate companies and other group entities in Motilal Oswal Group.

The Composition of the Investment Committee and details of participation of the Members at the Meetings of the Committee during the year were as under:

Name of the member	Category	No. of meetings held	No. of meetings attended
Ajay Menon	Chairman	14	14
Harsh Joshi	Member	14	14
Sudhir Dhar	Member	14	14
Motilal Oswal	Member	14	14

Corporate Social Responsibility (CSR) Initiatives

The Company believes in enhancing the human intangible asset and strive to contribute largely to the education & learning front. Over the years, the Company have been striving to achieve a balance of economic, environmental and social imperatives while satisfying the needs and expectations of internal and external stakeholders.

As the part of the initiatives under Corporate Social Responsibility, the Company has made contribution in various areas like eradicating hunger and poverty, education and health care.

The Company makes contributions to various projects directly and also through Motilal Oswal Foundation, a charitable company incorporated under Section 25 of the Companies Act, 1956.

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

During the year under review, the Group made contribution by funding for Health Care, Social Welfare, protection of environment, promotion of Sports and for development of knowledge based economy. Setting Up and Running English Medium Schools for providing education to Underprivileged Children, contribution towards Mid-Day Meal Programme for providing mid-day meals at Iskcon, contribution towards Olympic Gold Quest for promotion of sports, contribution to JITO Administrative Training Foundation, contribution to Friends of Tribal Society for Social Welfare, contribution towards Healthcare through Dr. Babasaheb Ambedkar Vaidyakiya Pratishthan, Vision Eye Foundation, Tata Memorial Hospital etc. were some of the activities undertaken as CSR Activities, for the betterment of the Society.

The Annual Report on CSR activities is annexed herewith to this report as "Annexure 2."

BOARD'S REPORT (Contd..)

Vigil Mechanism

Pursuant to the provisions of Section 177 of the Companies Act, 2013, the Company has established a Vigil Mechanism for directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

This mechanism provides for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases.

No such cases were reported during the year.

Business Risk Management

The organization has strengthened its entity-wide Risk Management framework with an endeavor to enhance the control environment via risk mitigation and reducing the impact of risks within acceptable levels. This has been carried out in a phased manner wherein due emphasis is being given on identification, assessment and economic control of those risks that endanger the assets and earning capacity of the business. To achieve the aforesaid objectives, the Board of Directors of your company has framed the Risk Management policy to identify, assess and mitigate the risk associated with the Business of the Company.

Internal Financial Control and their Adequacy

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

Particulars of Loans, Guarantees and Investments

The details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in note no. 11 to financial statements.

Related Party Transactions

All related party transactions that were entered into during the financial year were at arm's length basis and in the ordinary course of business.

In terms of Section 134(3)(h) of the Companies Act, 2013, the details of contracts / arrangements entered into with Related Parties are provided in Form AOC-2 as "Annexure 3" to this Report.

All Related Party Transactions are placed before the Audit Committee for approval.

Statutory Auditors

Your company has appointed M/s. Haribhakti & Co. LLP as Statutory Auditors for a period of three years subject to the ratification by the members in every Annual General Meeting of the Company. In compliance to the provisions of Section 139 of the Companies Act, 2013, the appointment of the statutory auditors is to be ratified by the members at the forthcoming Annual General Meeting. M/s. Haribhakti & Co. LLP, Chartered Accountants (ICAI Firm Reg. No. 103523W) have given their consent for re-appointment. The members will be required to ratify the appointment of Auditors for the current financial year and fix their remuneration. There were no qualifications, reservations, adverse remarks or disclaimers in the report of Statutory Auditors of the Company.

As required by the provisions of Section 139(1) of the Companies Act, 2013, the Company has received a written certificate from M/s. Haribhakti & Co. LLP, Chartered Accountants, to the effect that their re-appointment, if made, would be in conformity within the limits specified in that section.

Secretarial Audit

In accordance to the provisions of Section 204 of the Companies Act, 2013 read with rules there under, the Company has appointed M/s. U. Hegde and Associates, Practicing Company Secretaries, for conducting the secretarial audit of the Company for the financial year 2015-16.

There were no qualifications, reservations, adverse remarks or disclaimers in the Secretarial Audit Report of the Company. The Secretarial audit report is annexed to this report as "Annexure 4".

Particulars of Employees as required under Section 197 of the Companies Act, 2013 and rules

framed there under

In accordance with the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the annexure pertaining to the names and other particulars of employees is available for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the said Annexure may write to the Company for the same.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, your Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the Profit of the Company for the year ended on that date;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a going concern basis; and
5. they have devised proper systems to ensure compliance with the provisions of all applicable laws and the systems were adequate and operating effectively.

Extract of Annual Return

The details forming part of extract of annual return of the Company in Form MGT 9 is annexed herewith to the report as "Annexure 5".

Number of Board Meetings

The Board meets at regular intervals to discuss and decide on the Company/business policy and strategy apart from other Board businesses. During the year under review, five Board Meetings were held and the interval between any two meetings was not more than 120 days. These Board Meetings were held on 30th April, 2015, 8th August, 2015, 19th October, 2015, 3rd December, 2015 and 3rd February, 2016. The resolution by circulation was passed on 7th July, 2015 and 16th September, 2015.

Significant and Material Orders

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's Operations in future.

Nomination and Remuneration Policy

The Board in its meeting held on 30th April, 2015 approved the company's Nomination and Remuneration Policy, as framed and recommended by the Nomination & Remuneration Committee. The Policy deals with directors' appointment and their remuneration, Key Managerial Personnel and other employees, including criteria for determining qualifications, positive attributes, independence of Director and other matters provided under section 178(4) of Companies Act, 2013.

The Nomination and Remuneration Policy is annexed to this report as "Annexure 6".

Policy on Prevention of Sexual Harassment of Women at Workplace

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company is committed to provide an environment, which is free of discrimination, intimidation and abuse. The Company believes that it is the responsibility of the Organisation to protect the integrity and dignity of its women employees and also to avoid conflicts and disruptions in the work environment due to such cases. The Company has put in place a 'Policy against Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy, any women employee may report her complaint to the Redressal Committee formed for this purpose. We affirm that adequate access was provided to any complainant who wish to register a complaint under the policy. There were no complaints received by the Company, during the FY 2015-16.

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

BOARD'S REPORT *(Contd..)*

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

Details of the foreign exchange earnings and outgo are given in the notes no. 43 to the Financial Statements.

Company's Policy on Directors' appointment and Remuneration including criteria for determining qualifications, positive attributes, independence of a director

Your company has put in place policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director, manner of selection of Directors, etc. in line with the requirements of the Companies Act, 2013, read with its applicable rules.

In terms of the provisions of the Companies Act, 2013, your company has had laid down criteria for performance evaluation of Directors, Chairman & MD, Board Level Committees and Board as a whole and also the evaluation process for the same. The performances of the members of the Board, the Board level Committees and Board as a whole were evaluated at the meeting of the Committee of the Independent Directors and the Board of Directors. The criteria amongst others, focuses on productivity and performances of Directors / Committee members and the quality of leadership skills blended with innovative strategies to drive business, vis-à-vis, achieving goals of the organization.

Material Changes and Commitments, if any, affecting the Financial Position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of the Report

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

Acknowledgments

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

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

Ajay Menon

Chairman & Managing Director
(DIN: 00024589)

Place : Mumbai
Date : 30th April, 2016.

ANNEXURE 1 TO THE BOARD'S REPORT

The Financial performance of each of the subsidiaries are detailed below:-

(₹ in millions)

Sr. No.	Name of the Subsidiaries	Turnover			Profit / Loss before tax			Profit / Loss after Tax		
		Current Period	Previous Period	Growth %	Current Period	Previous Period	Growth %	Current Period	Previous Period	Growth %
(A)	INDIAN SUBSIDIARIES									
1	Motilal Oswal Capital Markets Private Limited	36.00	2.38	1,412.61	15.63	1.80	768.33	10.75	1.57	584.71
2	Motilal Oswal Asset Management Company Limited	1,850.54	878.34	110.69	353.94	52.48	574.43	264.31	52.48	403.64
3	Motilal Oswal Trustee Company Limited	1.22	1.22	0.00	0.88	0.85	3.53	0.61	0.58	5.17
4	Motilal Oswal Wealth Management Limited	444.01	299.15	48.42	109.44	94.02	16.40	71.47	64.75	10.38
5	Motilal Oswal Securities International Private Limited	19.94	19.51	2.20	2.62	2.57	1.95	1.81	1.77	2.26
6	Aspire Home Finance Corporation Limited	2,194.66	239.09	817.92	613.22	38.57	1,489.89	399.99	21.74	1,739.88
(B)	COMPANIES INCORPORATED OUTSIDE INDIA									
1	Motilal Oswal Capital Markets (Hong Kong) Private Limited	0.00022	0.00028	21.07	(8.63)	(7.97)	8.28	(8.63)	(7.97)	8.28
2	Motilal Oswal Capital Markets (Singapore) Pte. Limited	13.97	13.75	1.60	1.82	1.78	2.25	1.64	1.56	5.13
3	Motilal Oswal Asset Management (Mauritius) Private Limited	-	-	-	(3.61)	(0.42)	759.52	(3.61)	(0.42)	759.52

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

Ajay Menon

Chairman & Managing Director
(DIN: 00024589)

Place : Mumbai
Date : 30th April, 2016.

ANNEXURE 2 TO THE BOARD'S REPORT

Annual Report on CSR Activities

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs. The Company recognizes the responsibilities towards society and strongly intends to contribute towards Health Care, Social Welfare, protection of environment, promotion of Sports and for development of knowledge based economy. Recognizing the responsibilities towards Society, the Company intends to carry out initiatives for supporting such noble causes.
2. The Composition of the CSR Committee. The Committee comprises of three directors: Mr. Praveen Tripathi-Independent Director (Chairman), Mr. Ajay Menon and Mr. Harsh Joshi (Members of the Committee).
3. Average net profit of the company for last three financial years ₹ 894,710,305
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) ₹ 17,900,000
5. Details of CSR spent during the financial year:
 - (a) Total amount spent for the financial year; ₹ 30,464,189
 - (b) Amount unspent , if any; Not Applicable
 - (c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs Subheads: 1. Local area or other 2. Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) project or programs wise (₹)	Amount spent on the projects or programs Subheads: 1. Direct expenditure on projects or programs 2. Overheads (₹)	Cumulative expenditure upto the reporting period (₹)	Amount Spent : Direct or through implementing agency (₹)
1	Shloka Missionaries (Setting Up And Running English Medium Schools for Underprivileged Children)	Education	Umarkhed town of Maharashtra	1,000,000	1,000,000	1,000,000	Through M/s. Motilal Oswal Foundation
2	Shloka Missionaries (Setting Up and Running English Medium Schools for Underprivileged Children)	Education	Umarkhed town of Maharashtra	1,000,000	1,000,000	2,000,000	Direct Expenditure
3	Shloka Missionaries (Setting Up And Running English Medium Schools for Underprivileged Children)	Education	Umarkhed town of Maharashtra	1,000,000	1,000,000	3,000,000	Direct Expenditure
4	Samast Mahajian (Provides Social, Environmental, Humanitarian and Compassion Towards Animals And Birds)	Environment & Society	Mumbai	500,000	500,000	3,500,000	Direct Expenditure
5	Bharatiya Jain Sanghatan	Social Welfare	Pune	1,000,000	1,000,000	4,500,000	Direct Expenditure
6	Dr. Babasaheb Ambedkar Vaidyakiya Pratishthan (Set Up for Health & Family Welfare, HIV / Aids)	Health Care	Aurangabad	2,500,000	2,500,000	7,000,000	Direct Expenditure
7	Granthali (Printing of Books for School Children)	Education	Mumbai	800,000	800,000	78,00,000	Through M/s. Motilal Oswal Foundation
8	International Foundation for Research And Education (Construction of Ashoka University)	Education	Sonepat, Haryana	7,850,000	7,850,000	15,650,000	Through M/s. Motilal Oswal Foundation

ANNEXURE 2 TO THE BOARD'S REPORT

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs Subheads: 1. Local area or other 2. Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) project or programs wise (₹)	Amount spent on the projects or programs Subheads: 1. Direct expenditure on projects or programs 2. Overheads (₹)	Cumulative expenditure upto the reporting period (₹)	Amount Spent : Direct or through implementing agency (₹)
9	Iskcon (Mid Day Meal Programme)	Eradicating Hunger	Mumbai	250,000	250,000	15,900,000	Direct Expenditure
10	Iskcon (Mid Day Meal Programme)	Eradicating Hunger	Mumbai	300,000	300,000	16,200,000	Direct Expenditure
11	Iskcon (Mid Day Meal Programme)	Eradicating Hunger	Mumbai	300,000	300,000	16,500,000	Direct Expenditure
12	Iskcon (Mid Day Meal Programme)	Eradicating Hunger	Mumbai	300,000	300,000	16,800,000	Direct Expenditure
13	Mangesh Shankar Anawalka (Medical Expense)	Health Care	Mumbai	25,000	25,000	16,825,000	Through M/s. Motilal Oswal Foundation
14	Jito Administrative Training Foundation	Education	Mumbai	1,500,000	1,500,000	18,325,000	Direct Expenditure
15	Jito Administrative Training Foundation	Education	Mumbai	2,000,000	2,000,000	20,325,000	Direct Expenditure
16	Jito Administrative Training Foundation	Education	Mumbai	1,500,000	1,500,000	21,825,000	Direct Expenditure
17	Rajasthan Vidyarthi Griha (Scholarship Fund for CA Students Who Have Got Merit CA Examinations)	Education	Mumbai	500,000	500,000	22,325,000	Through M/s. Motilal Oswal Foundation
18	The Saraswati Mandir Education Society	Education	Mumbai	2,500,000	2,500,000	24,825,000	Through M/s. Motilal Oswal Foundation
19	Marudhar Mahila Shikshan Sangh	Education	Mumbai	400,000	400,000	25,225,000	Direct Expenditure
20	Olympic Gold Quest	Promoting sports	Mumbai	100,000	100,000	25,325,000	Direct Expenditure
21	Jain Vishva Bharati Institute A/C International Conference on Science and Jain Philosophy	Education	Mumbai	200,000	200,000	25,525,000	Direct Expenditure
22	Jain Vishva Bharati Institute A/C International Conference on Science And Jain Philosophy	Education	Mumbai	500,000	500,000	26,025,000	Direct Expenditure
23	Friends of Tribals Society	Social Welfare	Kolkata	1,200,000	1,200,000	27,225,000	Direct Expenditure
24	Friends of Tribals Society	Social Welfare	Kolkata	50,000	50,000	27,275,000	Direct Expenditure
25	Isha Education	Education	Coimbatore	600,000	600,000	27,875,000	Direct Expenditure
26	Jain Education & Empowerment Trust	Education	Mumbai	1,100,000	1,100,000	28,975,000	Direct Expenditure
27	Kalki Tejomaya Social Welfare Trust	Social Welfare	Navi Mumbai	50,000	50,000	29,025,000	Direct Expenditure
28	Vision Eye Foundation	Health Care	Mumbai	1,100,000	1,100,000	30,125,000	Direct Expenditure
29	Ispat Cooperative Foundation	Social Welfare	Kolkata	50,000	50,000	30,175,000	Direct Expenditure
30	Tata Memorial Hospital	Health Care	Mumbai	25,000	25,000	30,200,000	Direct Expenditure

ANNEXURE 2 TO THE BOARD'S REPORT

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs Subheads: 1. Local area or other 2. Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) project or programs wise (₹)	Amount spent on the projects or programs Subheads: 1. Direct expenditure on projects or programs 2. Overheads (₹)	Cumulative expenditure upto the reporting period (₹)	Amount Spent : Direct or through implementing agency (₹)
31	Janata Shikshan Sanstha School (Construction of School)	Education	Mumbai	264,189	264,189	30,464,189	Through M/s. Motilal Oswal Foundation
	TOTAL			30,464,189	30,464,189	NA	
	* Give details of implementing agency:	M/s. Motilal Oswal Foundation is registered under section 25 of the Companies Act, 1956 incorporated on 24th June, 2011 having registered office at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai - 400 025. Motilal Oswal Foundation is a non-profit organisation to support social initiatives of the group and is promoted by Mr. Motilal Oswal, Mr. Raamdeo Agarawal and Passionate Investment Management Private Limited, the group holding company. The Foundation is headed by Mrs. Suneeta Agrawal. Education, healthcare and rural and urban development are the key focus areas of Motilal Oswal Foundation.					
	In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.	Not Applicable					

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

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

Place : Mumbai
Date: 30th April, 2016.

Ajay Menon **Praveen Tripathi**
Managing Director *Chairman - CSR Committee*
(DIN: 00024589) (DIN: 03154381)

ANNEXURE 3 TO THE BOARD'S REPORT

Form No. AOC-2

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

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

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

(Amount in ₹)

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

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

(Amount in ₹)

Sr. No.	Name of the related party	Nature of the relationship	Nature of Contract	Duration of the Contracts	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of approval by the Board	Amount paid as advances if any
1	Motilal Oswal Financial Services Limited	Holding Company	Rendering of Services	Ongoing	Loan given to Motilal Oswal Financial Services Limited by Motilal Oswal Securities Limited	NA	–
2	Motilal Oswal Financial Services Limited	Holding Company	Availing of Services	Ongoing	Motilal Oswal Financial Services Limited is providing its immovable property as security for loans availed by Motilal Oswal Securities Limited from HDFC Bank	NA	–

*Materiality is defined as per Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements of the Company. Since the company is not required to have consolidated financial statements, the turnover has been considered based on the audited standalone financial results, for the year ended 31st March, 2016.

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

Place : Mumbai

Date : 30th April, 2016.

Ajay Menon

Chairman & Managing Director

(DIN : 00024589)

ANNEXURE 4 TO THE BOARD'S REPORT

Secretarial Audit Report

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

For the Financial Year ended 31st March, 2016

To,

The Members,

Motilal Oswal Securities Limited

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my / our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 has generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s Motilal Oswal Securities Limited ("the Company") for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable for the audit period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable for the audit period)
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable for the audit period)
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulation, 2014; (Not applicable for the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable for the audit period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable for audit period)
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable for the audit period) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable for the audit period) and
- (vi) I have relied on the representation made by the Company and its officer for systems and mechanisms formed by the Company for compliance of the following specific applicable laws, Bye-laws, Rules, Regulations, Guidelines & Circulars issued by SEBI , Stock Exchanges & Depositories, applicable to Depository Participant & registered Broker.

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

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

ANNEXURE 4 TO THE BOARD'S REPORT

(ii) The Listing Agreements entered into by the Company with Stock Exchanges. (Not applicable during the audit period)

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

I further report that

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

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

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

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

I further report that during the audit period there were no specific events / actions having major bearing on operations of the Company.

For U. Hegde & Associates

Company Secretaries

Umashankar K. Hegde

(Proprietor)

Place : Mumbai

Date: 29th April, 2016.

C.P.No. 11161 # M. No. - A 22133

ANNEXURE 5 TO THE BOARD'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2016

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

I. Registration and Other Details:

i) CIN	U65990MH1994PLC079418
ii) Registration Date	5th July, 1994
iii) Name of the Company	Motilal Oswal Securities Limited
iv) Category / Sub Category of the Company	Public Limited Company
v) Address of the Registered Office and contact details	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai - 400025
vi) Whether Shares Listed On Recognized Stock Exchange(s)	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

II. Principal Business Activities of the Company

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Brokerage	6612	81.25%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Passionate Investment Management Private Limited (PIMPL)	U67120MH1995PTC092014	Holding	54.01	2(46)
2	Motilal Oswal Financial Services Limited (MOFSL)	L67190MH2005PLC153397	Holding	100	2(46)
3	Motilal Oswal Capital Markets Private Limited (MOCMPL)	U74140MH2006PTC165469	Subsidiary	100	2(87)
4	Motilal Oswal Asset Management Company Limited (MOAMC)	U67120MH2008PLC188186	Subsidiary	100	2(87)
5	Motilal Oswal Trustee Company Limited (MOTC)	U93090MH2008PLC188187	Subsidiary	100	2(87)
6	Motilal Oswal Wealth Management Limited (MOWML)	U67110MH2002PLC135075	Subsidiary	100	2(87)
7	Motilal Oswal Securities International Private Limited (MOSIPL)	U65929MH2011PTC219141	Subsidiary	100	2(87)
8	Motilal Oswal Capital Markets (Hong Kong) Private Limited (MOCMPL(HK))	59035781-000-09-11-0	Subsidiary	100	2(87)
9	Motilal Oswal Capital Markets (Singapore) Pte. Limited (MOCMPL(SP))	201129401Z	Subsidiary	100	2(87)
10	Aspire Home Finance Corporation Limited	U65923MH2013PLC248741	Subsidiary	81.57	2(87)
11	Motilal Oswal Asset Management (Mauritius) Private Limited	127396 C1/GBL	Subsidiary	100	2(87)

Note: There are no associate companies of the Company as on 31st March, 2016.

ANNEXURE 5 TO THE BOARD'S REPORT

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	13,18,830	13,18,830	100	-	13,18,830	13,18,830	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	-	13,18,830	13,18,830	100	-	13,18,830	13,18,830	100	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs- individuals	-	-	-	-	-	-	-	-	-
b) Other-individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	13,18,830	13,18,830	100	-	13,18,830	13,18,830	100	-
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	-	13,18,830	13,18,830	100	-	13,18,830	13,18,830	100	-

There has been no change in the shareholding of the Company during the year.

ANNEXURE 5 TO THE BOARD'S REPORT

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	No. of shares	% of the total shares of the company	% of the shares pledged / encumbered to total shares	
1	Motilal Oswal Financial Services Limited	13,18,218	100.00	–	13,18,218	100.00	–	–
2	Motilal Oswal Financial Services Limited Jointly with Mr. Raamdeo Agarawal	100	0.00	–	100	0.00	–	–
3	Motilal Oswal Financial Services Limited Jointly with Mr. Motilal Oswal	100	0.00	–	100	0.00	–	–
4	Motilal Oswal Financial Services Limited Jointly with Mrs. Vimla Oswal	100	0.00	–	100	0.00	–	–
5	Motilal Oswal Financial Services Limited Jointly with Mrs. Suneeta Agrawal	100	0.00	–	100	0.00	–	–
6	Motilal Oswal Financial Services Limited Jointly with Mr. Navin Agarwal	100	0.00	–	100	0.00	–	–
7	Motilal Oswal Financial Services Limited Jointly with Ms. Pratiksha Oswal	100	0.00	–	100	0.00	–	–
8	Motilal Oswal Financial Services Limited Jointly with Mr. Ajay Menon	12	0.00	–	12	0.00	–	–
	Total	13,18,830	100.00	–	13,18,830	100.00	–	–

iii) Change in Promoters' Shareholding

There has been no change in Promoters' Shareholding during the year ended 31st March, 2016.

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year / end of the year		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
NIL								

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

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
NIL							

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the beginning of the year		Date	Reason	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company			No. of shares	% of total shares of the company	No. of shares	% of total Shares of the company
NIL									

ANNEXURE 5 TO THE BOARD'S REPORT

V. Indebtedness

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

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,230,000,000	27,317,701	–	1,257,317,701
ii) Interest due but not paid	–	3,437,315	–	3,437,315
iii) Interest accrued but not due	12,716,536	–	–	12,716,536
Total (i+ii+iii)	1,242,716,536	30,755,016	–	1,273,471,552
Change in Indebtedness during the financial year				
Addition	13,250,000,000	26,500,745,284	–	39,750,745,284
Reduction	8,230,000,000	26,650,499,185	–	34,880,499,185
Net Change	5,020,000,000	149,753,901	–	4,870,246,099
Indebtedness at the end of the financial year				
i) Principal Amount	6,250,000,000	122,436,200	–	6,127,563,800
ii) Interest due but not paid	–	9,075,679	–	9,075,679
iii) Interest accrued but not due	34,001,063	–	–	34,001,063
Total (i+ii+iii)	6,284,001,063	113,360,521	–	6,170,640,542

VI. Remuneration of Directors and Key Managerial Personnel

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Ajay Menon (Managing Director)	Harsh Joshi (Whole-Time Director)	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	11,700,452	8,481,000	20,181,452
	(b) Value of Perquisites u/s 17(2) of the Income-Tax Act, 1961	2,581,400	1,188,100	3,769,500
	(c) Profits in lieu of salary u/s 17(3) of the Income-Tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission			
	(a) as % of profit	–	–	–
	(b) others, specify	–	–	–
5	others, please specify	–	–	–
	Total (A)	14,281,852	9,669,100	23,950,952
	Ceiling as per the Act	Within overall limit of 10% of Net Profits of the Company.		

ANNEXURE 5 TO THE BOARD'S REPORT

B. Remuneration to Other Directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Balkumar Agarwal (ceased w.e.f. 31/07/2015)	Praveen Tripathi	Rekha Shah	
1.	Independent Directors				
	(a) Fee for attending board / committee meetings	50,000	140,000	150,000	340,000
	(b) Commission	–	300,000	300,000	600,000
	(c) Others, please specify	–	–	–	–
	Total (1)	50,000	440,000	450,000	940,000
2.	Other Non-Executive Directors				
	(a) Fee for attending board / committee meetings	–	–	–	–
	(b) Commission	–	–	–	–
	(c) Others, please specify	–	–	–	–
	Total (2)	–	–	–	–
	Total (B)=(1+2)	50,000	440,000	450,000	940,000
	Total Managerial Remuneration				940,000
	Overall Ceiling as per the Act	Within overall limit of 1% of Net Profits of the Company.			

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

There are no such Key Managerial Personnel in the Company.

VII. Penalties / Punishment / Compounding of Offences:

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

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

Ajay Menon

Chairman & Managing Director

(DIN : 00024589)

Place: Mumbai,

Date: 30th April, 2016.

ANNEXURE 6 TO THE BOARD'S REPORT

Nomination and Remuneration Policy

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

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

I. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees. The Key Objectives of the Committee would be:

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

I. DEFINITIONS

- "Board" means Board of Directors of the Company.
- "Company" means "Motilal Oswal Securities Limited."
- "Independent Director" means a director referred to in Section 149(6) of the Companies Act, 2013.
- "Key Managerial Personnel" (KMP) means
 - (i) Chief Executive Officer or the Managing Director or the Manager,
 - (ii) Company Secretary,
 - (iii) Whole-time Director,
 - (iv) Chief Financial Officer and
 - (v) Such other officer as may be prescribed.
- "Nomination and Remuneration Committee" (NRC) shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.
- "Policy or This Policy" means, "Nomination and Remuneration Policy."
- "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- "Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors including all members of management one level below the executive directors, including all the functional heads.

"*Members of management one level below the executive directors" means Members of management one level below the executive directors" means the employees appointed as Vice President and above and are directly reporting to the Executive Directors."

- Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the

ANNEXURE 6 TO THE BOARD'S REPORT

Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them herein.

II. ROLE OF THE COMMITTEE

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

1. To formulate a criterion for determining qualifications, positive attributes and independence of a Director.
2. Formulate criteria for evaluation of Independent Directors and the Board.
3. Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
4. To carry out evaluation of every Director's performance.
5. To recommend to the Board the appointment and removal of Directors and Senior Management.
6. To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
*Amended by the Board of Directors of the company pursuant to resolution passed in their meeting held on 19th October, 2015.
7. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
8. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
9. To perform such other functions as may be necessary or appropriate for the performance of its duties.

III. MEMBERSHIP OF THE COMMITTEE

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

IV. CHAIRMAN

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

V. FREQUENCY OF MEETINGS

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

VI. MINUTES OF COMMITTEE MEETING

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

VII. COMMITTEE MEMBERS' INTERESTS

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

VIII. VOTING

1. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and

ANNEXURE 6 TO THE BOARD'S REPORT

voting and any such decision shall for all purposes be deemed a decision of the Committee.

2. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

IX. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

- **Appointment criteria and qualifications:**

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

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

- **Term / Tenure:**

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

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

2. Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment shall be made in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

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

- **Evaluation:**

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

- **Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

- **Retirement:**

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

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

- **General:**

1. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person.

ANNEXURE 6 TO THE BOARD'S REPORT

4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- **Remuneration to Managerial Person, KMP and Senior Management:**
 1. **Fixed pay:**

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force. The break-up of the pay scale and quantum of perquisites including employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.
 2. **Variable Pay:**

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

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.
 4. **Provisions for excess remuneration:**

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.
 - **Remuneration to Non-Executive / Independent Director:**
 1. **Remuneration / Commission:**

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

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

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

Remuneration / Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

XI. GUIDING PRINCIPLES

The Policy ensures that

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

ANNEXURE 6 TO THE BOARD'S REPORT

incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

XII. DEVIATIONS FROM THIS POLICY

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

XIII. REVIEW AND AMENDMENT

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

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

Ajay Menon

Chairman & Managing Director

(DIN : 00024589)

Place: Mumbai,

Date: 30th April, 2016.

INDEPENDENT AUDITORS' REPORT

To the Members of **MOTILAL OSWAL SECURITIES LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of Motilal Oswal Securities Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, its profit and its cash flows for the year ended on that date.

Other Matter

"Revenue from Operations" includes "Share of Loss from a Partnership Firm" of ₹ 9.47 million for the year ended March 31, 2016, which is based on the management accounts of that respective partnership firm. According to the information and explanation given to us by the Management, aforesaid "Share of Loss from a Partnership Firm" is not material.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on 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:

INDEPENDENT AUDITORS' REPORT *(Contd..)*

- 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 statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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, we give our separate Report in "Annexure 2".
- 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 has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 27 on Contingent Liabilities;
 - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Amit A. Hundia
Partner
Membership No. 120761

Place : Mumbai
Date : April 30, 2016

INDEPENDENT AUDITORS' REPORT (Contd..)

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Motilal Oswal Securities Limited on the financial statements for the year ended March 31, 2016]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, fixed assets have been physically verified by the management as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties recorded as fixed assets in the books of account of the Company are held in the name of the Company.
- (ii) As informed, the Company does not have inventories. Accordingly, the provision stated in paragraph 3(ii)(a), 3(ii)(b) and 3(ii)(c) of the Order are not applicable.
- (iii) The Company has granted unsecured loan to one Company covered in the register maintained under Section 189 of the Act.
- (a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that, the terms and conditions of the aforesaid loan granted by the Company are not prejudicial to the interest of the Company.
- (b) Since there is no stipulation as regards to repayment of principle and interest, clause 3(iii)(b) of Order is not applicable.
- (c) In respect of the aforesaid loans, there is no overdue amount of loans granted to a Company listed in the register maintained under Section 189 of the Act.
- (iv) Based on information and explanation given to us the Company has not given any guarantees and securities. Further, in respect of loans and investments, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, cess and any other material statutory dues applicable to it, however, there have been slight delay in few cases. As explained to us, the provisions regarding sales tax, custom duty, excise duty and value added tax are presently not applicable to the Company.

According to the information and explanations given to us, except stamp duty there are no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, custom duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable. Detail of it is as state hereunder:

Name of the statute	Nature of the dues	Amount (₹ in millions)	Period to which the amount relates (F.Y.)	Due Date	Date of Payment
Indian Stamp Act, 1899	Stamp duty	3.88	2015-16	Not Available, as Stamp duty is collected in states where payment and levy mechanism is not defined	Not Paid

- (b) According to the information and explanation given to us, except for income tax there are no dues outstanding with respect to sales tax, service tax, value added tax, custom duty, excise duty on account of any dispute. Details of which are as stated hereunder:

Name of the statute	Nature of dues	Amount (₹ in Millions)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2.18	F.Y. 2010-11	ITAT
Income Tax Act, 1961	Income Tax	14.14	F.Y. 2011-12	CIT(A)
Income Tax Act, 1961	Income Tax	40.41	F.Y. 2012-13	CIT(A)

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution(s), bank(s), government(s) or dues to debenture holder(s).

INDEPENDENT AUDITORS' REPORT *(Contd..)*

- (ix) The Company has neither raised money by way of public issue offer nor has obtained any term loan. Therefore, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) According to the information and explanations given to us, managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by 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. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **HARIBHAKTI & CO. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W

Amit A. Hundia

Partner

Membership No. 120761

Place : Mumbai

Date : April 30, 2016

INDEPENDENT AUDITORS' REPORT *(Contd..)*

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Motilal Oswal Securities Limited on the financial statements for the year ended March 31, 2016]

Report on the Internal Financial Controls over Financial Reporting 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 Securities Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements 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 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 specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 March 31, 2016, 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 ICAI.

For **HARIBHAKTI & CO. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W

Amit A. Hundia

Partner

Membership No. 120761

Place : Mumbai

Date : April 30, 2016

BALANCE SHEET

Balance Sheet as at 31st March, 2016

	Note No.	As at 31-Mar-16 ₹ in Million	As at 31-Mar-15 ₹ in Million
I. EQUITY AND LIABILITIES			
(A) Shareholder's Funds:			
(a) Share Capital	1	13.19	13.19
(b) Reserves and Surplus	2	7,614.91	7,009.45
TOTAL(A)		7,628.10	7,022.64
(B) Non-Current Liabilities:			
(a) Deferred tax liabilities (Net)	3	142.17	159.36
(b) Other long term liabilities	4	10.05	10.05
(c) Long term provisions	5	52.96	46.87
TOTAL(B)		205.18	216.28
(C) Current Liabilities:			
(a) Short-term borrowings	6	4,096.79	1,726.54
(b) Trade payables	7	3,957.06	3,880.70
(c) Other current liabilities	8	1,341.57	257.07
(d) Short-term provisions	9	291.28	555.59
TOTAL(C)		9,686.70	6,419.90
TOTAL(A+B+C)		17,519.98	13,658.82
II. ASSETS			
(D) Non-Current Assets			
(a) Fixed assets	10		
(i) Tangible assets		1,323.45	1,350.58
(ii) Intangible assets		61.69	45.67
(b) Non-current investments	11	9,243.11	6,556.60
(c) Long term loans and advances	12	259.15	218.03
(d) Other non-current assets	13	1,025.00	–
TOTAL(D)		11,912.40	8,170.88
(E) Current assets			
(a) Current investments	14	16.36	–
(b) Trade receivables	15	4,548.76	3,229.72
(c) Cash and bank balances	16	894.24	2,028.74
(d) Short-term loans and advances	17	116.97	186.46
(e) Other current assets	18	31.25	43.02
TOTAL(E)		5,607.58	5,487.94
TOTAL(D+E)		17,519.98	13,658.82

Significant Accounting Policies
Notes forming part of accounts
Notes referred to above form an integral part of the financial statements

26
27-50

As per our attached report of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration no. 103523W

Amit A. Hundia
Partner
Membership No. 120761
Place : Mumbai
Dated : 30th April 2016

For and on behalf of the Board of Directors
MOTILAL OSWAL SECURITIES LTD.

Ajay Menon
Chairman & Managing Director
DIN No. 00024589
Place : Mumbai
Dated : 30th April 2016

Harsh Joshi
Whole Time Director
DIN No. 02951058

STATEMENT OF PROFIT AND LOSS

Statement of Profit and Loss for the period ended 31st March, 2016

	Note No.	For the year ended 31-Mar-16 ₹ in Million	For the year ended 31-Mar-15 ₹ in Million
(A) REVENUE			
Income from operations	19	5,467.70	5,301.01
Other Income	20	37.37	124.60
TOTAL (A)		5,505.07	5,425.61
(B) EXPENSES			
Employee benefits	21	1,388.77	1,132.43
Finance cost	22	456.67	118.97
Depreciation and amortization expenses	23	234.59	203.72
Operating expenses	24	1,627.81	1,655.30
Other expenses	25	1,003.24	822.20
TOTAL (B)		4,711.08	3,932.62
Profit before taxation and exceptional item (C) = (A) - (B)		793.99	1,492.99
Less: Provision for taxation			
i) For current year			
Current tax		205.72	421.34
Deferred tax		(17.19)	14.93
ii) For previous year(s) (Income tax)		—	(24.51)
Total Tax Expenses (D)		188.53	411.76
Profit after tax before extraordinary items		605.46	1,081.23
Profit for the year (E)=(C)-(D)		605.46	1,081.23
Earnings Per Share (Face Value Per Share ₹ 10 /-)	44		
Basic		459.09	819.84
Diluted		459.09	819.84
Significant Accounting Policies	26		
Notes forming part of Accounts	27-50		

As per our attached report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration no. 103523W

Amit A. Hundia

Partner

Membership No. 120761

Place : Mumbai

Dated : 30th April 2016

For and on behalf of the Board of Directors

MOTILAL OSWAL SECURITIES LTD.

Ajay Menon

Chairman & Managing Director

DIN No. 00024589

Place : Mumbai

Dated : 30th April 2016

Harsh Joshi

Whole Time Director

DIN No. 02951058

CASH FLOW STATEMENT

Cash Flow Statement for the year ended 31st March, 2016

Particulars	For the Year ended 31st March 2016 ₹ in Million	For the Year ended 31st March 2015 ₹ in Million
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Taxation	793.99	1,492.99
Add 1) Depreciation	234.59	203.72
2) Loss in Partnership	9.47	1.68
3) Deposit Written Off	5.63	2.27
4) Interest Paid/Borrowing Cost	456.67	118.49
5) Bad debts w/off	46.16	13.62
6) Gratuity	23.52	6.14
7) Leave Salary	3.90	3.13
8) Provision for doubtful debts	(9.06)	—
	1,564.87	1,842.05
Less 1) Profit on Investments	306.21	259.73
2) Profit on Sale of Fixed Assets	0.75	0.05
3) Profit in Partnership	103.42	17.43
4) Dividend Income	28.35	74.08
5) Rent Income	20.52	23.16
6) Interest Income from Loans	6.38	100.53
7) Interest Income from investments	27.67	47.93
	493.30	522.90
OPERATING PROFIT	1,071.57	1,319.14
Adjustments for:		
1) (Increase) in Trade Receivables	(1,356.14)	(869.33)
2) Decrease in Stock-in-trade	—	606.26
3) (Increase) in Current Investments	(16.36)	—
4) Decrease Short Term in Loans & Advances	43.27	107.43
5) (Increase) in Long Term Loans & Advances	(20.07)	(33.16)
6) (Increase)/Decrease in Non Current Assets	(1,025.00)	16.62
7) (Increase)/Decrease in Fixed Deposits with banks	956.49	(818.29)
8) Increase in Other Current Asset	6.65	119.06
9) Increase in Trade Payable	76.36	482.17
10) Increase in Other Current Liabilities	1,082.44	141.34
11) Increase/(Decrease) in Short Term Provision	(107.15)	167.42
12) Increase in Other Long Term Liability	—	6.32
13) Increase in Provision for Gratuity	6.10	15.70
	(353.42)	(58.46)
CASH GENERATED FROM OPERATIONS	718.15	1,260.68
Taxes Paid	(248.59)	(390.21)
NET CASH GENERATED FROM OPERATING ACTIVITIES	469.56	870.47
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(223.86)	(224.44)
Purchase of Investments	(2,398.63)	(2,643.36)
Loan to Holding Company	(13,857.80)	(23,137.78)
Repayment of loans from Holding Company	13,884.01	24,671.24
Interest received from investments	30.09	47.93
Proceeds from Sale of Investments	1,109.40	973.92
Investment in Subsidiaries Company	(1,000.00)	(1,650.00)
Proceeds from Sale of Fixed Assets	3.89	0.15
Rent received	23.21	17.15
Dividend received	28.35	74.08
Interest Received from Loans	6.38	108.63
	(2,394.95)	(1,762.48)
NET CASH (USED) IN INVESTING ACTIVITIES	(2,394.95)	(1,762.48)

CASH FLOW STATEMENT (Contd..)

Particulars	For the Year ended 31st March 2016 ₹ in Million		For the Year ended 31st March 2015 ₹ in Million	
CASH FLOW FROM FINANCING ACTIVITIES				
Bank Overdraft (Net of Repayment)	494.08		508.45	
Loans & Advances from Subsidiary Company	991.72		–	
Repayment of loans to Subsidiary Company	(864.27)		–	
Commercial Paper Issued	15,500.00		3,830.00	
Commercial Paper Redeemed	(13,751.28)		(2,612.72)	
Final Dividend and DDT	(168.26)		(486.27)	
Interest Paid	(454.62)	1,747.37	(115.05)	1,124.41
NET CASH GENERATED FROM FINANCING ACTIVITIES		1,747.37		1,124.41
NET CASH FLOW GENERATED FROM / (USED) IN FOR THE PERIOD		(178.01)		232.40
Cash & Cash Equivalents as at beginning of year				
Cash on hand	1.74		10.86	
Bank balance in current account	451.37	453.11	209.85	220.71
Total Cash & Cash Equivalents as at beginning of year		453.11		220.71
Cash & Cash Equivalents as at end of year				
Cash on hand	3.80		1.74	
Bank balance in current account	271.30	275.10	451.37	453.11
Total Cash & Cash Equivalents as at end of year		275.10		453.11

#Operating Activity as shown above includes expenditure in respect of Corporate Social Responsibility of ₹ 30.46 Million (P.Y. ₹ 18.51 Million) (Note No. - 49)

As per our attached report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration no. 103523W

Amit A. Hundia

Partner

Membership No. 120761

Place : Mumbai

Dated : 30th April 2016

For and on behalf of the Board of Directors

MOTILAL OSWAL SECURITIES LTD.

Ajay Menon

Chairman & Managing Director

DIN No. 00024589

Place : Mumbai

Dated : 30th April 2016

Harsh Joshi

Whole Time Director

DIN No. 02951058

NOTES TO FINANCIAL STATEMENT

Note 1 : Share Capital

	As at 31-Mar-16		As at 31-Mar-15	
	Number	₹ in Million	Number	₹ in Million
AUTHORISED				
Equity Shares of ₹ 10/- each (P.Y. ₹10 each)	5,500,000	55.00	5,500,000	55.00
1% Redeemable Cumulative Preference Shares of ₹ 10/- each (P.Y. ₹ 10 each)	6,500,000	65.00	6,500,000	65.00
TOTAL	12,000,000	120.00	12,000,000	120.00
ISSUED				
Equity Shares of ₹ 10/- each (P.Y. ₹ 10 each)	1,318,830	13.19	1,318,830	13.19
ISSUED, SUBSCRIBED & PAID UP				
Equity shares of ₹ 10/- each (P.Y. ₹ 10 each) fully paid	1,318,830	13.19	1,318,830	13.19
All the above, 13,18,830 shares (PY 13,18,830) held by holding company Motilal Oswal Financial Services Limited				
TOTAL	1,318,830	13.19	1,318,830	13.19

1.1 Terms/Rights attached to 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.

During the year ended March 31, 2016, the Company paid interim dividend to equity shareholders of ₹ Nil (PY ₹210/-) per equity share and proposed a final dividend of ₹ Nil /-(PY. ₹ 106/-) per equity share. The total dividend appropriated amounted to ₹ Nil (PY ₹492.51 millions) Including corporate dividend tax of ₹ Nil (PY-₹75.56 millions).

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

1.2 Terms/Rights attached to Preference Shares

The Company has one class of preference share having a par value of ₹ 10/- each as on 31st march, 2016.

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

1.3 Reconciliation of the number of shares outstanding

	As at 31-Mar-16		As at 31-Mar-15	
	Number	₹ in Million	Number	₹ in Million
Number of shares at the beginning	1,318,830	13.19	1,318,830	13.19
Add: Shares issued on exercise of employee stock options	–	–	–	–
Number of shares at the end of the year	1,318,830	13.19	1,318,830	13.19

Details of shareholders holding more than 5% shares

Name of shareholder	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Motilal Oswal Financial Services Ltd. (Holding Company)	1,318,830	100	1,318,830	100
TOTAL	1,318,830	100	1,318,830	100

NOTES TO FINANCIAL STATEMENT

Note 2: Reserves and Surplus

	As at 31-Mar-16 ₹ in Million	As at 31-Mar-15 ₹ in Million
Capital Reserve		
Opening balance	1.42	1.42
Add: Current year transfer	–	–
Closing Balance	1.42	1.42
General Reserve		
Opening Balance	335.54	281.48
Add: Current year transfer	–	54.06
Closing Balance	335.54	335.54
Surplus		
Opening balance	6,672.49	6,154.49
Less: Transition Provision of Depreciation	–	16.66
Add: Current year profit	605.46	1,081.23
Less: Proposed dividend	–	139.80
Less: Interim dividend	–	277.15
Less: Dividend distribution tax	–	75.56
Less: Transfer to General Reserve	–	54.06
Closing Balance	7,277.95	6,672.49
TOTAL	7,614.91	7,009.45

Note 3 : Deferred Taxes and Liabilities

	As at 31-Mar-16 ₹ in Million	As at 31-Mar-15 ₹ in Million
Deferred Tax Liability		
Difference in Net block of fixed assets	(167.69)	(179.86)
Sign on bonus pending write off	(0.37)	–
Deferred Tax Asset		
Long term capital loss on sale of investments	–	(0.38)
Provision for doubtful debts	–	3.13
Gratuity provision	25.89	17.75
Deferred Tax Assets/(Liability)	(142.17)	(159.36)

Note 4 : Other Long Term Liabilities

	As at 31-Mar-16 ₹ in Million	As at 31-Mar-15 ₹ in Million
Rent Deposit	10.05	10.05
TOTAL	10.05	10.05

NOTES TO FINANCIAL STATEMENT

Note 5: Long Term Provisions

	As at 31-Mar-16 ₹ in Million	As at 31-Mar-15 ₹ in Million
Provision for Gratuity	52.96	46.87
TOTAL	52.96	46.87

Note 6 : Short Term Borrowings

	As at 31-Mar-16 ₹ in Million	As at 31-Mar-15 ₹ in Million
Secured*		
Bank Overdraft	1,003.26	509.26
Cash Credit	0.07	–
Unsecured		
Loans and advances from related parties	127.45	–
Other loans & Advances (specify):-		
Commercial Paper(Principal Portion)	3,000.00	1,230.00
Less: Discount not written off	34.00	12.72
TOTAL	4,096.79	1,726.54

* The same is secured against Mutual Funds / Fixed deposits / Property pledged with the banks (includes Motilal Oswal Tower Property of holding company) / Hypothecated against Book Debts.

Note 7 : Trade Payables

	As at 31-Mar-16 ₹ in Million	As at 31-Mar-15 ₹ in Million
Margin money	596.51	556.07
Trade Payables (includes payable to clients)		
Due to Outstanding of Micro, Small and Medium Enterprises (Ref. Note No. 38)	0.10	–
Due Outstanding of Creditors other than Micro, Small and Medium Enterprises	3,360.45	3,324.63
TOTAL	3,957.06	3,880.70

Note 8: Other Current Liabilities

	As at 31-Mar-16 ₹ in Million	As at 31-Mar-15 ₹ in Million
Advance received from customers	8.20	2.50
Accrued salaries & benefits	4.16	3.21
Interest accrued and due on loan	5.49	3.44
For other liabilities		
– Taxes payable	68.49	46.38
– Book overdraft from banks	1,075.19	3.04
– Other payables (includes payable to vendors)	180.04	151.24
– Mark to Market Margin - Equity Index/Stock Futures	–	47.26
TOTAL	1,341.57	257.07

NOTES TO FINANCIAL STATEMENT

Note 9: Short Term Provisions

	As at 31-Mar-16 ₹ in Million	As at 31-Mar-15 ₹ in Million
Provision for employee benefits		
– ExGratia payable	239.96	333.24
– Gratuity obligation	21.85	4.43
– Leave salary	3.90	3.13
Others		
– Proposed dividend	–	139.80
– Provision for proposed Dividend distribution tax	–	28.46
– Other provisions (includes provision for expenses)	25.57	30.21
– Provision for income taxes (net of Advance tax PY 405.02 millions)	–	16.32
TOTAL	291.28	555.59

Note 10 : Fixed Assets

(₹ in Million)

PARTICULARS	GROSS BLOCK					DEPRECIATION					NET BLOCK		
	As on 01.04.2015	Additions 2015-16	Other Adjustments* 2015-16	Deductions 2015-16	As on 31.03.2016	As on 01.04.2015	For the year 2015-16	Other Adjustments 2015-16	Deductions 2015-16	As on 31.03.2016	As on 31.03.2016	As on 31.03.2015	
Tangible Assets													
Land	108.44	–	–	–	108.44	–	–	–	–	–	108.44	108.44	
Buildings#	1,197.79	51.00	–	–	1,248.79	217.41	62.69	–	–	280.10	968.70	980.38	
Plant & Equipment	398.47	86.60	(8.31)	3.31	473.44	270.41	95.64	(4.37)	0.63	361.05	112.39	119.75	
Furniture & Fixture	148.33	35.56	–	–	183.88	100.62	20.17	–	–	120.79	63.09	47.71	
Vehicles	29.73	9.51	–	3.15	36.09	19.49	4.52	–	2.72	21.29	14.80	10.24	
Office Equipments	280.48	11.62	8.31	–	300.41	204.73	35.13	4.37	–	244.23	56.03	84.06	
Total (A)	2,163.24	194.29	–	6.46	2,351.05	812.66	218.15	–	3.34	1,027.47	1,323.45	1,350.58	
Intangible Assets													
Goodwill	9.00	–	–	–	9.00	9.00	–	–	–	9.00	–	–	
Computer Software	254.94	29.56	–	–	284.50	209.27	13.55	–	–	222.82	61.69	45.67	
Bse Cards	64.81	–	–	–	64.81	64.81	–	–	–	64.81	–	–	
Custom Right	68.35	–	–	–	68.35	68.35	–	–	–	68.35	–	–	
Total (B)	397.10	29.56	–	–	426.66	351.43	13.55	–	–	364.98	61.69	45.67	
GRAND TOTAL (A+B)	2,560.34	223.85	–	6.46	2,777.71	1,164.09	231.71	–	3.34	1,392.45	1,385.13	1,396.25	

PARTICULARS	GROSS BLOCK					DEPRECIATION/AMMORTIZATION					NET BLOCK		
	As on 01.04.2014	Additions 2014-15	Other Adjustments* 2014-15	Deductions 2014-15	As on 31.03.2015	As on 01.04.2014	For the year 2014-15	Other Adjustments 2014-15	Deductions	Transitional Depreciation	As on 31.03.2015	As on 31.03.2015	As on 31.03.2014
Tangible Assets													
Land	108.44	–	–	–	108.44	–	–	–	–	–	–	108.44	108.44
Buildings	1,165.84	31.96	–	–	1,197.79	158.37	52.78	–	–	6.26	217.41	980.38	1,007.47
Plant & Equipment	258.07	124.51	15.89	–	398.47	201.85	50.02	11.83	–	11.08	274.78	123.68	56.22
Furniture & Fixture	124.77	23.55	–	–	148.33	85.74	14.89	–	–	–	100.63	47.71	39.03
Vehicles	25.83	5.40	–	1.49	29.73	18.24	2.46	–	1.39	0.18	19.49	10.24	7.59
Office Equipments	281.37	16.57	(17.46)	–	280.48	151.04	53.44	(11.84)	–	7.71	200.35	80.12	130.33
Total (A)	1,964.31	201.99	(1.57)	1.49	2,163.24	615.24	173.59	(0.01)	1.39	25.23	812.66	1,350.58	1,349.08
Intangible Assets													
Goodwill	9.00	–	–	–	9.00	9.00	–	–	–	–	9.00	–	–
Computer Software	230.92	22.45	1.57	–	254.94	182.21	27.05	0.01	–	–	209.27	45.67	48.71
Bse Cards	64.81	–	–	–	64.81	64.81	–	–	–	–	64.81	–	–
Custom Right	68.35	–	–	–	68.35	68.35	–	–	–	–	68.35	–	–
Total (B)	373.09	22.45	1.57	–	397.10	324.38	27.05	0.01	–	–	351.43	45.67	48.71
GRAND TOTAL (A+B)	2,337.40	224.44	–	1.49	2,560.34	939.61	200.64	–	1.39	25.23	1,164.09	1,396.25	1,397.79

* Other adjustments refers re-classification of assets into respective class of assets.

#The Company has mortgaged its Immovable property " Motilal Oswal Tower" (Gross Block of ₹ 919.63 millions and Net Block ₹ 743.28 million as at 31st March 2016) to HDFC Bank Limited for the banking facilities availed.

#The Company has mortgaged its Immovable property " Motilal Oswal Tower" (Gross Block of ₹ 915.54 millions and Net Block ₹ 739.27 million as at 31st March 2015) to HDFC Bank Limited for the banking facilities availed.

NOTES TO FINANCIAL STATEMENT

Note 11: Non Current Investments (At Cost)

Sr. No.	Name Of The Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Face Value	Amount	
			As at 31-Mar-16	As at 31-Mar-15				As at 31-Mar-16 ₹ in Million	As at 31-Mar-15 ₹ in Million
	Other Investments								
(a)	Investment in Equity Instruments								
	Central Depository Services India Ltd	Others	100	100	Unquoted	Fully paid up	0.01	0.00	0.00
	Motilal Oswal Capital Markets Pvt Ltd	Subsidiary	349,999	349,999	Unquoted	Fully paid up	10.00	3.50	3.50
	Motilal Oswal Securities International Pvt Ltd	Subsidiary	4,569,200	4,569,200	Unquoted	Fully paid up	10.00	45.69	45.69
	Motilal Oswal Wealth Management Ltd	Subsidiary	80,000	80,000	Unquoted	Fully paid up	10.00	122.64	122.64
	Motilal Oswal Asset Management Company Ltd	Subsidiary	65,000,000	65,000,000	Unquoted	Fully paid up	10.00	650.13	650.13
	Motilal Oswal Trustee Company Ltd	Subsidiary	100,000	100,000	Unquoted	Fully paid up	10.00	1.00	1.00
	Motilal Oswal Capital Markets (Honkong) Pvt .Ltd	Subsidiary	6,000,000	6,000,000	Unquoted	Fully paid up	6.87	41.20	41.20
	Motilal Oswal Capital Markets (Singapore) Pte .Ltd	Subsidiary	250,000	250,000	Unquoted	Fully paid up	39.55	9.89	9.89
	Aspire Home Finance Corporation Limited	Subsidiary	249,358,336	199,999,994	Unquoted	Fully paid up	10.00	2,500.00	1,500.00
	AU Finance (India) Limited	Others	546,966	546,966	Unquoted	Fully paid up	10.00	188.70	188.70
	Shubham Housing Development Finance Co Pvt Ltd	Others	21,377	21,377	Unquoted	Fully paid up	10.00	18.05	18.05
	Infosys Limited	Others	71,478	71,478	Quoted	Fully paid up	5.00	76.83	153.66
	Shriram New Horizons Limited	Others	750,000	750,000	Unquoted	Fully paid up	10.00	101.25	101.25
(b)	Investments in Preference Shares								
	7% Non cumulative optional convertible redeemable shares of Motilal Oswal Capital Markets Pvt Ltd	Subsidiary	900,000	900,000	Unquoted	Fully paid up	10.00	9.00	9.00
	14.625%, Cumulative redeemable shares of Edelweiss Finance & Investment Limited	Others	4,190,000	4,190,000	Unquoted	Fully paid up	10.00	63.85	63.85
	Compulsory Convertible shares of Shubham Housing Development Finance Co Pvt Ltd	Others	220,260	220,260	Unquoted	Fully paid up	10.00	185.94	185.94
(c)	Investments in partnership firms								
	Emerging Manager Group LP	Partnership	-	234200	Unquoted	Fully paid up		11.67	13.35
	Less: Share of loss							9.47	1.68
	Less: Capital Return							2.20	-
	Closing balance							-	11.67
	India Realty Excellence Fund II LLP	Associate	-	-	Unquoted	Fully paid up	100,000.00	386.78	210.85
	Add: Share of Profit							103.42	175.93
	Add: Purchase during the year							274.97	-
	Closing balance							765.17	386.78
	Contrarian Vriddhi Fund I LLP	Others	1,000	1,000	Unquoted	Fully paid up	6,000.00	2.00	2.00
	Add: Purchase during the year							4.00	-
	Closing balance							6.00	2.00
(d)	Investment in Units of Mutual fund								
	Motilal Oswal MOST Focused 25 Fund	Others	674,602	31,544,702	Unquoted	Fully paid up		3.00	355.33
	Most Focused 30 Fund	Others	4,086,368	31,788,924	Unquoted	Fully paid up		411.36	502.50
	Most Shares N100 ETF	Others	18,330	-	Unquoted			5.13	-
	Most Focused Multicap 35 Fund	Others	131,029,091	130,907,502	Unquoted	Fully paid up		1,867.49	1,815.00
	Most Shares M50 ETF	Others	59,499	-	Unquoted	Fully paid up		4.78	-
	MOST Shares Midcap 100 ETF	Others	507,650	-	Unquoted	Fully paid up		6.79	-
	Most Focused Long Term Fund	Others	190,816	190,816	Unquoted	Fully paid up		2.00	2.00
	Reliance Mutual Fund -Liquid	Others	543,438	-	Quoted	Fully paid up		1,644.35	-
(e)	Investments in Debentures or Bonds								
	Citicorp Finance (India) Limited	Others	-	170	Unquoted	Fully paid up	100,000.00	-	17.00
	20% , Redeemable non convertible debentures of Shankeshwar Properties Private Limited	Others	-	16	Unquoted	Fully paid up	10,000,000.00	-	87.79

NOTES TO FINANCIAL STATEMENT

Sr. No.	Name Of The Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Face Value	Amount	
			As at 31-Mar-16	As at 31-Mar-15				As at 31-Mar-16 ₹ in Million	As at 31-Mar-15 ₹ in Million
	20.5%, Redeemable non convertible debentures of Gajra Home Maker	Others	–	10	Unquoted	Fully paid up	10,000,000.00	–	35.40
	10%, Redeemable non convertible debenture of Rajesh Estates And Nirman Pvt. Ltd.	Others	–	11	Unquoted	Fully paid up	10,000,000.00	–	110.00
	17.5%, Redeemable non convertible debenture of Akshaya Private Limited	Others	3	3	Unquoted	Fully paid up	10,000,000.00	16.50	30.00
(f)	Investment in Private Equity Funds								
	India Business Excellence Fund	Others	–	25,000	Unquoted	Fully paid up	1,000.00	–	12.00
	India Business Excellence Fund I	Others	25,000	25,000	Unquoted	Fully paid up	1,000,000.00	30.59	35.58
	India Business Excellence Fund II	Others			Unquoted	Fully paid up		406.11	–
(g)	Non trade investments								
	Investment Property(Gross)							70.42	70.42
	Less : Accumulated Depreciation							14.25	11.37
	Closing WDV							56.17	59.05
	Total (a+b+c+d+e+f+g)							9,243.11	6,556.60

Aggregate amount of quoted investments
 Market Value of quoted investments
 Aggregate amount of unquoted investments
 Aggregate provision for diminution in value of investment

Current Year ₹ in Million	Previous Year ₹ in Million
1,721.18	153.66
1,774.40	158.44
7,521.92	6,402.94
Nil	Nil

Details of partnership with Emerging Manager Group, LP

Name of partner	Units Outstanding		Capital Contribution		Percentage Ownership	
	As at 31-Mar-16	As at 31-Mar-15	As at 31-Mar-16	As at 31-Mar-15	As at 31-Mar-16	As at 31-Mar-15
Emerging Managers Capital Management, LLC	–	68644	–	\$1,500	–	0.69%
Karan Trehan	–	3615940	–	\$571,205	–	36.16%
Trehan Family Trust	–	1205318	–	\$190,401	–	12.05%
White Williams Holdings	–	551143	–	\$396,000	–	5.51%
Pat Farrell	–	137952	–	\$80,000	–	1.38%
Cross Ridge Capital LLC	–	137952	–	\$80,000	–	1.38%
Robert Turner	–	217738	–	\$500,000	–	2.18%
Christopher McHugh	–	109572	–	\$250,000	–	1.10%
The Chalice Fund, L.P.	–	43321	–	\$100,000	–	0.43%
Custodia Holdings Inc	–	668147	–	\$174,571	–	6.68%
Vidya AG	–	296958	–	\$467	–	2.97%
Waddell & Reed	–	2341917	–	\$5,000,000	–	23.42%
Motilal Oswal	–	234200	–	\$500,000	–	2.34%
Viking One Corp	–	371198	–	\$145,392	–	3.71%
TOTAL	–	10000000	–	\$7,989,536	–	100.00%

- Note 1 Emerging Manager Group has been dissolved during the financial year 2015-16.
- Note 2 During the current financial year the company has classified the office premises which has been leased out to Eskay Motors amounting to ₹ 37,35,600 as Investment in property under Non current investments.

NOTES TO FINANCIAL STATEMENT

Note 12: Long Term Loans & Advances

	As at 31-Mar-16 ₹ in Million	As at 31-Mar-15 ₹ in Million
Unsecured, Considered good		
– Rent, Electricity and other deposits	97.85	80.08
– Capital Advances	6.50	16.40
– Deposits with Exchange	14.05	14.05
Other Loans & Advances:		
– Prepaid Exp	5.30	0.66
– Loan to staff	3.28	1.35
Advance Tax (Net of provision ₹ 24724.95 millions and P.Y. ₹ 1903.07 millions)	132.17	105.49
TOTAL	259.15	218.03

Note 13: Other Non Current Assets

	As at 31-Mar-16 ₹ in Million	As at 31-Mar-15 ₹ in Million
Unsecured, considered good		
Other bank balances		
– Fixed deposits (maturity more than 12 months) *	1,025.00	–
TOTAL	1,025.00	–
Fixed deposit receipt under lien with ICICI Bank For Professional Clearing Member services	1,270.00	–

Note 14: Current Investments

	As at 31-Mar-16 ₹ in Million	As at 31-Mar-15 ₹ in Million
16 fully paidup unquoted 20% Redeemable non convertible debentures of Shankeshwar Properties Private Limited having face value of ₹ 100 million	16.36	–
TOTAL	16.36	–

Note 15: Trade Receivables

	As at 31-Mar-16 ₹ in Million	As at 31-Mar-15 ₹ in Million
Secured, Considered good		
a) Outstanding for a period more than six months from the date they are due for payment	160.30	9.50
b) Outstanding for a period less than six months from the date they are due for payment	3,275.75	2,275.74
(A)	3,436.05	2,285.24
Unsecured, Considered good		
a) Outstanding for a period more than six months from the date they are due for payment	50.43	66.55
b) Outstanding for a period less than six months from the date they are due for payment	1,062.28	886.99
Less: provision for doubtful debts (C.Y ₹ Nil, P.Y ₹ 9.06 millions)	–	(9.06)
(B)	1,112.71	944.48
TOTAL	(A+B) 4,548.76	3,229.72

*Secured against securities given as collateral by the customer

NOTES TO FINANCIAL STATEMENT

Note 16: Cash and Bank Balances

	As at 31-Mar-16 ₹ in Million	As at 31-Mar-15 ₹ in Million
Cash and Cash equivalents		
Cash on hand	3.80	1.74
Balance with banks		
In current accounts	271.30	451.37
Other Bank balance		
Fixed deposit (maturity more than 3 months but less than 12 months)*	619.14	1,575.64
TOTAL	894.24	2,028.74
*Fixed deposit receipt under lien with exchange	349.14	98.17
*Fixed deposit receipt lien with banks against borrowings	25.00	832.50

Note 17: Short Term Loans and Advances

	As at 31-Mar-16 ₹ in Million	As at 31-Mar-15 ₹ in Million
Unsecured, Considered good unless otherwise stated		
Loans to related parties	1.10	27.32
Others		
Advances		
– Prepaid Expenses	18.91	14.22
– For supply of services	45.12	27.50
– Loan & Advance to staff	5.14	15.75
– Service tax credit receivable	14.88	5.43
– Deposits with exchange	31.82	96.24
TOTAL	116.97	186.46

Note 18: Other Current Assets

	As at 31-Mar-16 ₹ in Million	As at 31-Mar-15 ₹ in Million
Interest accrued on Fixed Deposit	25.21	30.75
Stock of stamps	0.49	2.38
Rent Receivable	4.62	7.31
Sign on bonus pending amortization	0.77	–
Interest accrued and due on loan	0.15	2.58
TOTAL	31.25	43.02

NOTES TO FINANCIAL STATEMENT

Note 19 : Revenue from Operations

	For the year ended 31-Mar-16 ₹ in Million	For the year ended 31-Mar-15 ₹ in Million
(A) Income from operations		
Brokerage	3,986.10	4,028.31
Research & Advisory Fees	166.47	119.20
Portfolio Management Commission	216.24	205.61
Depository Income	111.57	117.43
Income from Arbitrage Transaction/Stock in trade	(3.20)	42.80
Dividend Income	28.35	74.08
Partnership Gain/(Loss)		
From Fund	103.42	17.43
From Other	(9.47)	(1.68)
Profit on sale of investments	–	
Current Investment	94.78	19.24
Non-current Investment	211.43	240.50
Total (A)	4,905.69	4,862.91
(B) Other Operating Revenue :		
Interest	518.58	383.24
Others	43.43	54.86
Total (B)	562.01	438.10
TOTAL(A+B)	5,467.70	5,301.01

Note 20: Other Income

	For the year ended 31-Mar-16 ₹ in Million	For the year ended 31-Mar-15 ₹ in Million
Interest	6.38	100.53
Profit on sale of fixed assets	0.75	0.05
Rent Income	20.52	23.16
Other Miscellaneous Income	9.72	0.86
TOTAL	37.37	124.60

Note 21: Employee Benefits

	For the year ended 31-Mar-16 ₹ in Million	For the year ended 31-Mar-15 ₹ in Million
Salary, Bonus and Allowances	1,282.10	1,074.84
Contribution to provident & other funds	25.06	14.86
Staff welfare expenses	49.65	36.59
Gratuity (Ref Note No. 39)	31.96	6.14
TOTAL	1,388.77	1,132.43

NOTES TO FINANCIAL STATEMENT

Note 22: Finance Cost

	For the year ended 31-Mar-16 ₹ in Million	For the year ended 31-Mar-15 ₹ in Million
Interest cost	436.91	92.06
Other borrowing cost	19.76	26.91
TOTAL	456.67	118.97

Note 23: Depreciation and Amortisation Expenses

	For the year ended 31-Mar-16 ₹ in Million	For the year ended 31-Mar-15 ₹ in Million
Depreciation on Tangible Assets	218.16	173.59
Depreciation on Investment property	2.88	3.08
Amortisation on Intangible Assets	13.55	27.05
TOTAL	234.59	203.72

Note 24: Operating Expenses

	For the year ended 31-Mar-16 ₹ in Million	For the year ended 31-Mar-15 ₹ in Million
Brokerage sharing with intermediaries	1,559.34	1,581.69
Depository charges	23.06	25.08
Advisory and other fees	45.41	48.53
TOTAL	1,627.81	1,655.30

Note 25: Other Expenses

	For the year ended 31-Mar-16 ₹ in Million	For the year ended 31-Mar-15 ₹ in Million
Rates & Taxes	10.97	23.31
Rent	142.95	68.79
Insurance	3.44	3.80
Repairs - Building	3.93	10.27
Repairs & Maintenance - Others	15.81	16.94
Computer Maintenance & Software Charges	61.98	58.32
Legal & Professional Charges	80.08	65.31
Remuneration to auditors (Refer Note No.31)	1.23	1.11
Service charges	57.12	54.95
Marketing & brand promotion expenses	84.38	87.22
Advertisement expenses	57.00	48.17
Printing & Stationary	30.34	27.36
Power and fuel	68.86	60.30
Communication and data charges	116.86	93.25
Travelling, lodging and boarding expenses	105.96	94.68
Donations	2.71	0.18
CSR Donations (Refer Note No. 49)	30.46	18.51
Donation to political party*	0.01	12.09
Bad Debts Written Off/Trading loss	46.16	13.62
Foreign exchange (Gain)/Loss (CY net of profit ₹ 1.34 million, P.Y net of loss of ₹ 1.71 million)	1.29	(0.10)
Miscellaneous expenses	81.70	64.12
TOTAL	1,003.24	822.20

NOTES TO FINANCIAL STATEMENT

*Donation to Political party	For the year ended 31-Mar-16 ₹ in Million	For the year ended 31-Mar-15 ₹ in Million
Bhartiya Janata Party	–	11.00
National Congress Party	0.01	–
Shiv Sena	–	1.10
Maharashtra Navnirman Sena	0.00	–
TOTAL	0.01	12.10

Note 26 : Significant Accounting Policies

26.1 Basis of Preparation of Financial Statements:

The accompanying financial statements are prepared under the historical cost convention, on the accrual basis of accounting and comply in all material respects with the Accounting Standards 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.

The accounting policies have been consistently applied by the Company and except for the changes, if any, in accounting policy discussed below, are consistent with those used in the previous year.

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.

26.2 Use of Estimates:

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

26.3 Fixed Assets & Depreciation

Fixed Assets are stated at cost less accumulated depreciation thereon. The cost of fixed assets comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use. 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, fixed assets of the significant value are componentized with separate useful life. 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 period of lease

26.4 Borrowing Cost:

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

26.5 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.

26.6 Investments:

a) 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

- b) Long term investments are valued at cost and the cost is determined on the basis of the average carrying amount of the total holding of the investments. Provision for diminution in value of non current investments is made if in the opinion of management such a decline is other than temporary.
- c) Current investments are valued at cost or market/fair value, whichever is lower. Carrying amount of individual investment is determined on the basis of average of carrying amount of total holding of investments.
- d) Units of Mutual Funds are valued at cost or market value, whichever is lower.
- e) In case of Non - traded Funds, Net asset value of units declared is considered as market value.

26.7 Investment Property :

Properties given on lease are shown as Investment in property under Non Current Investment and depreciated using Written Down Value method using the useful life prescribed under schedule II of Companies Act 2013.

26.8 Stock in Trade:

Stock in Trade comprises of equity shares, units of mutual funds, commodities. These are valued at cost or market value whichever is less. The comparison of cost and market value is done separately for each category of stocks. Cost is considered on weighted average basis.

26.9 Revenue Recognition:

- a) Brokerage income is recognized on trade date basis and is exclusive of service tax and securities transaction tax (STT) wherever applicable.
- b) Research, Advisory and Transactional processing fee income is accounted for on an accrual basis in accordance with the terms & contracts entered into between the Company and the counterparty.
- c) Portfolio management commissions are recognized on an accrual basis in accordance with the terms of the agreement entered with Asset Management Company.
- d) Interest income is recognized on accrual basis.
- e) Dividend income is recognized when the right to receive payment is established
- f) Income from investment in Private Equity Funds ("the fund"), is booked as and when the same is distributed by the Fund. Return of capital contribution is reduced from the original cost of investment.
- g) Income from arbitrage and trading in securities and derivatives comprises profit/loss on sale determined based on the Weighted Average cost of the securities/currency sold.
- h) The Company recognizes lease rentals from the property leased out, on accrual basis as per the term of agreements enter with the counter parties.
- i) In respect of other heads of income the Company accounts the same on accrual basis.

26.10 Commercial Paper:

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

26.11 Foreign Currency Transactions:

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

26.12 Employee Benefits:

Provident Fund:

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

New Pension Scheme:

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

NOTES TO FINANCIAL STATEMENT

Gratuity:

Gratuity is post employment benefit and is in the nature of Defined Benefit Plan. The Liability recognized in the balance sheet in respect of gratuity is the present value of defined benefit obligation at the balance sheet date together with the adjustments for unrecognized actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. 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.

26.13 Taxation:

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

Current Tax:

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

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.

26.14 Operating Leases:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss.

26.15 Sign on Bonus

Sign On Bonus paid to the employees is accounted under the Loans & Advances in the Balance sheet and debited to Statement of Profit & Loss over the period of minimum employment as agreed.

26.16 Provisions and Contingencies:

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

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

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

NOTES TO FINANCIAL STATEMENT

26.17 Impairment of Assets:

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

26.18 Segment Reporting :

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

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

Note 27 : Contingent Liabilities and Commitments to the extent not provided for

Particulars	For the year ended 31-Mar-16 ₹ in Million	For the year ended 31-Mar-15 ₹ in Million
Contingent Liabilities:		
(a) Demand in respect of Income tax matters for which appeal is pending (Refer note a)	139.31	103.87
(b) Capital Commitments		
(i) Estimated amount of contracts remaining to be executed on capital account	62.99	58.41
(ii) Uncalled Liability on shares and other investments partly paid:		
(1) India Realty Excellence Fund II LLP (Refer note b)	–	261.39
(2) India Business Excellence Fund II (Refer note c)	243.96	19.50
(3) India Realty Excellence Fund III LLP (Refer note d)	200.00	–
(c) Claims against the Company:		

Pending against forum	2015-16		2014-15	
	No. of cases	₹ in Million	No. of cases	₹ in Million
Civil/Consumer court cases	38	39.93	32	39.93
Arbitration cases	9	26.84	11	21.02
TOTAL	47	66.77	43	60.95

- (a) Demand in respect of Income tax matters for which appeal is pending is ₹ 139.31 millions (Previous year ₹ 103.87 millions). This is disputed by the Company and hence not provided for. The company has paid demand of ₹ 59.16 millions till date. (Previous year ₹ 60.71 millions). These does not include interest u/s 234(b) & u/s 234(c) as same is not determinable till the final outcome.

The Company is contesting the demands and the management, including its tax advisors, believes that its position will likely be upheld in the appellat process. No tax expenses has been accrued in the financial statement for the tax demand raised.

NOTES TO FINANCIAL STATEMENT

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.

- (b) Future cash outflows in respect of claims mentioned above are determinable only on receipt of judgments/decisions pending with various forums/authorities

Note 28 : Contingent Liability

a) The Company has provided bank guarantees aggregating to ₹ 485 millions (Previous Year : ₹ 2120 millions) as on 31 March 2016 for the following purposes to:

- 1) Bombay Stock Exchange Limited - ₹ 125 millions (Previous year : ₹ 320 millions) for meeting margin requirements.
- 2) National Stock exchange - ₹ 360 millions (Previous year ₹ 1800 millions) for meeting margin requirements.

The company has pledged fixed deposits with banks aggregating of ₹ 147.5 millions. (Previous Year ₹ 832.5 millions) for obtaining bank guarantee.

Note 29 :

Vide notification no. OFC (COC) No. 99 ED (JRP)/97, dated 6th December 1997 issued by Reserve Bank of India under Section 45NC of the Reserve Bank of India Act, 1934, provisions of Sections 45IA, 45IB, 45IC, 45MB and 45MC of the Reserve Bank of India Act, 1934 does not apply to the Company as it is doing the business of a Stock Broker holding a valid certificate of registration obtained under Section 12 of Securities Exchange Board of India Act, 1992.

Note 30 :

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 31 : Auditors' Remuneration

Particulars	2015-16 ₹ in Million	2014-15 ₹ in Million
As Auditors:		
Audit fees	1.02	0.93
Tax Audit fees	0.10	0.10
Other Services	0.11	0.03
Out of pocket expense	0.02	0.02
TOTAL	1.25	1.08

(Exclusive of service tax)

Note 32 : Operating Leases-Expenses(Company as a lessee)

Particulars	2015-16 ₹ in Million	2014-15 ₹ in Million
(a) Lease Payments recognised under the head "Rent"	142.95	68.79
(b) Minimum Future Lease payables :		
Particulars	2015-16 ₹ in Million	2014-15 ₹ in Million
Not later than 1 year	17.68	14.17
More than 1 year and not later 3 years	10.51	9.36
Later than 5 year	—	—
Total	28.19	23.53

NOTES TO FINANCIAL STATEMENT

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

- i) Lease rentals are charged on the basis of agreed terms.
- ii) Assets are taken on lease for a period of 3 - 5 years.
- iii) All agreements are cancellable at the option of the both the parties by giving prior notice.

Immovable properties taken on lease:

The company has entered into lease/license agreements in respect of immovable properties with different parties. Certain such agreements contain escalation clause related to lease rentals/license fees from 5% to 20% p.a.

Operating Leases-Income(Company as a lessor)

Particulars	2015-16 ₹ in Million	2014-15 ₹ in Million
(b) Rent Income recognised under the head "Other Income"	20.52	23.16

Minimum Future Lease receivables :

Particulars	2015-16 ₹ in Million	2014-15 ₹ in Million
Not later than 1 year	8.22	7.47
More than 1 year and not later 5 years	11.46	19.67
Later than 5 year	—	—
Total	19.68	27.14

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

- i) Lease rentals are charged on the basis of agreed terms
- ii) Assets are given on lease for a period of 5 years
- iii) Agreement is an non cancellable agreement for initial period of 5 years

Immovable properties given on lease:

The company has entered into lease/license agreement in respect of immovable properties with a party. It contain escalation clause related to lease rentals/license fees with 15% from the 4th year.

Note 33 : Related party disclosure

Name of related parties

(i) Relationships during the year

- A) Holding Company
 - Passionate Investment Management Private Limited - Ultimate Holding Company
 - Motilal Oswal Financial Services Limited – Holding Company
- B) Subsidiaries
 - Motilal Oswal Capital Markets Private Limited
 - Motilal Oswal Trustee Company Limited
 - Motilal Oswal Wealth Management Private Limited
 - Motilal Oswal Securities International Private Limited
 - Motilal Oswal Asset Management Company Private Limited
 - Motilal Oswal Capital Market (Honkong) Private Limited
 - Motilal Oswal Capital Markets (Singapore) Pte. Limited
 - Aspire Housing Finance Corporation Limited
 - Motilal Oswal Asset Management (Mauritius) Private Limited
 - Carnation Township Management LLP

NOTES TO FINANCIAL STATEMENT

(₹ in millions)

Transaction	Name of the related Party	Holding Company/ Subsidiary company		Fellow Subsidiaries		Associate Enterprises		Enterprises in which Key Managerial Personnel exercise Significant Influence		Key Managerial Personnel / Relative of Key Managerial Personnel	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Interest (Received)/Paid	Aspire Home Finance Corporation Ltd	-	(0.11)	-	-	-	-	-	-	-	-
	Motilal Oswal Financial Services Limited	55.88	5.33	-	-	-	-	-	-	-	-
	Motilal Oswal Financial Services Limited	(5.73)	(99.67)	-	-	-	-	-	-	-	-
	Motilal Oswal Wealth Management Ltd	38.68	-	-	-	-	-	-	-	-	-
Total Interest Received		(5.73)	(99.78)	-	-	-	-	-	-	-	-
Total Interest Paid		94.57	5.33	-	-	-	-	-	-	-	-
Dividend Paid	Motilal Oswal Financial Services Limited	139.80	415.63	-	-	-	-	-	-	-	-
Total Dividend Paid		139.80	415.63	-	-	-	-	-	-	-	-
Brokerage on Mutual Fund (Received)	Motilal Oswal Asset Management Company Limited	(30.50)	(21.36)	-	-	-	-	-	-	-	-
Total Brokerage on Mutual Fund (Received)		(30.50)	(21.36)	-	-	-	-	-	-	-	-
Brokerage Sharing Paid	Motilal Oswal Wealth Management Ltd	48.48	36.03	-	-	-	-	-	-	-	-
Total Brokerage Sharing Paid		48.48	36.03	-	-	-	-	-	-	-	-
PMS Distribution (Received)	Motilal Oswal Asset Management Company Limited	(216.24)	(205.61)	-	-	-	-	-	-	-	-
Total PMS Distribution (Received)		(216.24)	(205.61)	-	-	-	-	-	-	-	-
Rent (Received)/Paid	Aspire Home Finance Corporation Ltd	(5.27)	(5.27)	-	-	-	-	-	-	-	-
	Motilal Oswal Investment Advisors Private Limited	-	-	(1.98)	(1.98)	-	-	-	-	-	-
	Motilal Oswal Financial Services Limited	(0.18)	(0.18)	-	-	-	-	-	-	-	-
	Motilal Oswal Financial Services Limited	65.46	9.27	-	-	-	-	-	-	-	-
	Motilal Oswal Capital Markets Private Ltd	(1.43)	(0.34)	-	-	-	-	-	-	-	-
	Motilal Oswal Commodities Broker Private Limited	-	-	(0.27)	(0.27)	-	-	-	-	-	-
	Motilal Oswal Wealth Management Ltd	10.95	10.95	-	-	-	-	-	-	-	-
	Motilal Oswal Wealth Management Ltd	(10.60)	(10.60)	-	-	-	-	-	-	-	-
	Textile Exports Private Limited	-	-	-	-	-	-	1.59	1.59	-	-
	Passionate Investment Management Private Limited	(0.06)	(0.06)	-	-	-	-	-	-	-	-
Motilal Oswal Securities International Pvt. Ltd.	(0.72)	(0.72)	-	-	-	-	-	-	-	-	
Total Rent (Received)		(18.26)	(17.17)	(2.25)	(2.25)	-	-	-	-	-	-
Total Rent Paid		76.41	20.23	-	-	-	-	1.59	1.59	-	-
Brokerage Received	Ajay Menon	-	-	-	-	-	-	-	-	(0.01)	(0.02)
	OSAG Enterprises LLP	-	-	(0.74)	(0.09)	-	-	-	-	-	-
	Motilal Oswal	-	-	-	-	-	-	-	-	(0.50)	(1.20)
	Raamdeo Agarawal	-	-	-	-	-	-	-	-	(1.06)	(5.27)
	Govinddeo R. Agarawal	-	-	-	-	-	-	-	-	0.00	-
	Vimladevi Salecha	-	-	-	-	-	-	-	-	0.01	-
	Motilal Oswal Financial Services Limited	-	-	-	-	-	-	-	-	0.00	-
Total Brokerage Received		-	-	(0.74)	(0.09)	-	-	-	-	(1.57)	(6.49)
Donation	Motilal Oswal Foundation	-	-	-	-	-	-	-	14.78	-	-
Total Donation Paid		-	-	-	-	-	-	-	14.78	-	-
Reimbursement of Expenses (Received)/Paid	Motilal Oswal Wealth Management Ltd	(1.18)	(1.16)	-	-	-	-	-	-	-	-
	Motilal Oswal Commodities Broker Private Limited	(0.15)	(0.14)	-	-	-	-	-	-	-	-
	Motilal Oswal Financial Services Limited	42.23	27.76	-	-	-	-	-	-	-	-
	Aspire Home Finance Corporation Ltd	(1.09)	(3.35)	-	-	-	-	-	-	-	-
	Motilal Oswal Capital Markets Private Ltd	(5.22)	-	-	-	-	-	-	-	-	-
	Motilal Oswal Investment Advisors Private Limited	(0.36)	-	-	-	-	-	-	-	-	-
Total Reimbursement of Expenses (Received)		(7.99)	(4.65)	-	-	-	-	-	-	-	-
Total Reimbursement of Expenses Paid		42.23	27.76	-	-	-	-	-	-	-	-
Partnership Gain	India Realty Excellence Fund II LLP	-	-	-	-	(103.42)	(17.43)	-	-	-	-
Total		-	-	-	-	(103.42)	(17.43)	-	-	-	-
(Gain) on sale of Investment	Carnation Township Management LLP	(10.35)	-	-	-	-	-	-	-	-	-
	India Realty Excellence Fund II LLP	-	-	-	-	(15.87)	-	-	-	-	-
Total		(10.35)	-	-	-	(15.87)	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT

(₹ in millions)

Transaction	Name of the related Party	Holding Company/ Subsidiary company		Fellow Subsidiaries		Associate Enterprises		Enterprises in which Key Managerial Personnel exercise Significant Influence		Key Managerial Personnel / Relative of Key Managerial Personnel	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Capital contribution / (withdrawal)	India Realty Excellence Fund II LLP	-	-	-	-	421.90	175.93	-	-	-	-
	India Realty Excellence Fund II LLP	-	-	-	-	(84.39)	-	-	-	-	-
	Carnation Township Management LLP	574.32	-	-	-	-	-	-	-	-	-
	Carnation Township Management LLP	574.32	-	-	-	-	-	-	-	-	-
Total Capital contribution		574.32	-	-	-	421.90	175.93	-	-	-	-
Total Capital (withdrawal)		574.32	-	-	-	(84.39)	-	-	-	-	-
Subscription/Purchase of Equity Shares	Motilal Oswal Asset Management Company Limited	-	300.00	-	-	-	-	-	-	-	-
	Aspire Home Finance Corporation Ltd	1,000.00	1,350.00	-	-	-	-	-	-	-	-
Total		1,000.00	1,650.00	-	-	-	-	-	-	-	-
Loan Given to / (Taken from)	Motilal Oswal Financial Services Limited	(13,884.01)	(23,137.78)	-	-	-	-	-	-	-	-
	Aspire Home Finance Corporation Ltd	-	10.31	-	-	-	-	-	-	-	-
	Motilal Oswal Wealth Management Ltd	(991.72)	-	-	-	-	-	-	-	-	-
Loan (Repaid by) / Repaid to	Motilal Oswal Financial Services Limited	13,857.80	24,671.24	-	-	-	-	-	-	-	-
	Aspire Home Finance Corporation Ltd	(10.31)	-	-	-	-	-	-	-	-	-
	Motilal Oswal Wealth Management Ltd	864.27	-	-	-	-	-	-	-	-	-
Outstanding balance											
(a) Unsecured loan Given / (Taken)	Motilal Oswal Financial Services Limited	1.10	27.32	-	-	-	-	-	-	-	-
	Motilal Oswal Wealth Management Ltd	(127.45)	-	-	-	-	-	-	-	-	-
Total Unsecured loan Given		1.10	27.32	-	-	-	-	-	-	-	-
Total Unsecured loan (Taken)		(127.45)	-	-	-	-	-	-	-	-	-
(b) Collateral taken for Loan	Motilal Oswal Financial Services Limited	1,626.56	4,275.98	-	-	-	-	-	-	-	-
Total Collateral taken for loan		1,626.56	4,275.98	-	-	-	-	-	-	-	-
c) Other Receivables / (payables)	Motilal Oswal Real Estate Investment Advisors II P Ltd	-	-	(1.01)	(1.65)	-	-	-	-	-	-
	Motilal Oswal Real Estate Investment Advisors II P Ltd	-	-	9.78	-	-	-	-	-	-	-
	Aspire Home Finance Corporation Ltd	0.17	2.86	-	-	-	-	-	-	-	-
	Motilal Oswal Investment Advisors Private Limited	-	-	0.07	0.66	-	-	-	-	-	-
	Motilal Oswal Asset Management Company Limited	14.91	145.99	-	-	-	-	-	-	-	-
	Motilal Oswal Financial Services Limited	(14.99)	(9.61)	-	-	-	-	-	-	-	-
	Motilal Oswal Commodities Broker Private Limited	-	-	0.04	0.04	-	-	-	-	-	-
	Motilal Oswal Capital Market Pvt Ltd	-	0.22	-	-	-	-	-	-	-	-
	Motilal Oswal Capital Market-Pvt Ltd Singapore	(3.90)	(2.93)	-	-	-	-	-	-	-	-
	Motilal Oswal Capital Market-Pvt Ltd Singapore	0.89	-	-	-	-	-	-	-	-	-
	Motilal Oswal Wealth Management Ltd	0.32	0.32	-	-	-	-	-	-	-	-
	Motilal Oswal Wealth Management Ltd	(5.77)	(5.19)	-	-	-	-	-	-	-	-
	Motilal Oswal Commodities Broker Private Limited (NSEI)	-	-	2.87	2.87	-	-	-	-	-	-
	MOPE Investment Advisors Private Limited	-	-	0.29	-	-	-	-	-	-	-
	Motilal Oswal Securities International Pvt. Ltd.	(2.71)	-	-	-	-	-	-	-	-	-
Total Receivables		(27.37)	(17.73)	(1.01)	(1.65)	-	-	-	-	-	-
Total (Payables)		16.29	149.40	13.05	3.57	-	-	-	-	-	-
d) Security Deposit	Motilal Oswal Wealth Management Ltd	5.48	5.48	-	-	-	-	-	-	-	-
	Aspire Home Finance Corporation Ltd.	(0.05)	(0.05)	-	-	-	-	-	-	-	-
	Motilal Oswal Capital Markets Pvt. Ltd	(0.72)	(0.72)	-	-	-	-	-	-	-	-
	Motilal Oswal Commodities Broker Pvt. Ltd	-	-	(0.14)	(0.14)	-	-	-	-	-	-
	Motilal Oswal Financial services ltd.	(0.09)	(0.09)	-	-	-	-	-	-	-	-
	Motilal Oswal Financial services ltd.	32.73	16.58	-	-	-	-	-	-	-	-
	Motilal Oswal Wealth Management Ltd	(5.30)	(5.30)	-	-	-	-	-	-	-	-
	Motilal Oswal Securities International Pvt. Ltd.	(0.36)	(0.36)	-	-	-	-	-	-	-	-
	Passionate Investment Management Pvt Ltd	(0.03)	(0.03)	-	-	-	-	-	-	-	-
Total Receivables		(6.54)	(6.54)	-	-	-	-	-	-	-	-
Total (Payables)		38.20	22.06	(0.14)	(0.14)	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENT

(₹ in millions)

Transaction	Name of the related Party	Holding Company/ Subsidiary company		Fellow Subsidiaries		Associate Enterprises		Enterprises in which Key Managerial Personnel exercise Significant Influence		Key Managerial Personnel / Relative of Key Managerial Personnel	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Employee's Stock Option Granted to the employee of the Company (In Nos.)	Motilal Oswal Financial Services Limited	1,730,000	1,762,750	-	-	-	-	-	-	-	-
Employee's Stock Option Exercised by the employee of the Company (In Nos.)	Motilal Oswal Financial Services Limited	1,726,000	1,872,350	-	-	-	-	-	-	-	-
Total Employee's Stock Option outstanding at the end of year (In Nos.)		4,514,175	5,229,650	-	-	-	-	-	-	-	-
B) Maximum Balance in respect of Loan and advances to related parties											
a) Loan (Taken) / Given (Maximum Balance)*	Motilal Oswal Financial Services Limited	(1,330.45)	(2,666.76)	-	-	-	-	-	-	-	-
	Aspire Home Finance Corporation Ltd	-	(10.36)	-	-	-	-	-	-	-	-
	Motilal Oswal Wealth Management Ltd	(504.40)	-	-	-	-	-	-	-	-	-
Total Loan (Maximum Balance)		(1,834.86)	(2,677.12)	-	-	-	-	-	-	-	-
(b) Collateral taken for Loan (Maximum Balance)	Motilal Oswal Financial Services Limited	1,626.56	4,275.98	-	-	-	-	-	-	-	-
Total Collateral taken for Loan (Maximum Balance)		1,626.56	4,275.98	-	-	-	-	-	-	-	-
C) Maximum / Outstanding Balance in respect of Investments in related parties											
Investment Outstanding / Maximum Balance	Motilal Oswal Capital Markets Pvt Ltd	12.50	12.50	-	-	-	-	-	-	-	-
	Motilal Oswal Securities International Pvt Ltd	45.69	45.69	-	-	-	-	-	-	-	-
	Motilal Oswal Wealth Management Ltd	122.64	122.64	-	-	-	-	-	-	-	-
	Motilal Oswal Asset Management Company Ltd	650.13	650.13	-	-	-	-	-	-	-	-
	Motilal Oswal Trustee Company Ltd	1.00	1.00	-	-	-	-	-	-	-	-
	Motilal Oswal Capital Markets (Honkong) Pvt .Ltd	41.20	41.20	-	-	-	-	-	-	-	-
	Motilal Oswal Capital Markets (Singapore) Pte .Ltd	9.89	9.89	-	-	-	-	-	-	-	-
	Aspire Home Finance Corporation Limited	2,500.00	1,500.00	-	-	-	-	-	-	-	-
	India Realty Excellence Fund II LLP	-	-	-	-	386.78	210.85	-	-	-	-

*Note : Managerial remuneration does not include Provision for Gratuity and Insurance Premiums for medical and life.

Note 34 :

Quantitative information in respect of Income from Arbitrage transaction

Cash Segment	31-Mar-16		31-Mar-15	
	Quantity	₹ in Million	Quantity	₹ in Million
Opening Stock	-	-	2,393,869	606.26
Purchase	7,273,352	1,857.23	31,226,277	14,201.74
Sales	7,273,352	1,862.56	33,620,146	14,808.00
Closing stock	-	-	-	-

Quantitative Information in respect of Income from Commodity Transaction

Commodity Segment	31-Mar-16		31-Mar-15	
	Quantity	₹ in Million	Quantity	₹ in Million
Opening Stock	-	-	-	-
Purchase	-	-	800.98	40.01
Sales	-	-	800.98	38.94
Stock W/off	-	-	-	-
Closing stock	-	-	-	-

Initial margin in respect of outstanding Derivative instruments contracts at year end is ₹ Nil (Previous year ₹ 8.40 Millions) which comprises of cash margin, fixed deposits, bank guarantee & collaterals.

NOTES TO FINANCIAL STATEMENT

Note 35 :

Open interest in individual stock futures/commodities as on 31st March, 2016

35.1 Open Long Positions in Stock futures:

There is no open long position in stock futures as on 31st March 2016.

35.2 Open Short Positions in Stock futures:

There is no open short position in stock futures as on 31st March 2016.

Open interest in individual stock futures as on 31st March, 2015

Open Long Positions in Stock futures

Name of Equity Index/Stock Future	Expiry Date	No. of Contracts	No. of Units
ASIANPAINT	30-Apr-15	20	10000
BHEL	30-Apr-15	210	210000

Open Short Positions in Stock futures:

Name of Equity Index/Stock Future	Expiry Date	No. of Contract	No. of Units
BANKNIFTY	30-Apr-15	7	175
NIFTY	30-Apr-15	31	775

Note 36 :

- 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 services to clients & fund based activities
- Broking and other related activities includes Broking services to clients, advisory services, financial product distribution and fee based services.
- Company's investment activities (Investment in securities and property) is considered as Fund based activities.

Particulars	(₹ in millions)					
	Equity Broking & Other related activities		Fund Based activities		Total	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
REVENUE:						
External Revenue	5,102.06	4,962.17	403.01	463.44	5,505.07	5,070.36
Inter-Segment Revenue		–		–		355.25
Total Revenue	5,102.06	4,962.17	403.01	463.44	5,505.07	5,425.61
RESULT:						
Segment Result	859.72	1,075.73	310.25	541.20	1,169.97	1,616.93
Unallocated Corporate Expenses		–		–	34.42	31.89
Operating Profit		–		–	1,135.55	1,585.05
Interest Expenses		–		–	341.56	92.06
Interest Income		–		–		
Tax Expenses:		–		–		
Income Tax					205.72	421.34
Deferred Tax					(17.19)	6.35
Tax Impact of Transitional Depreciation						8.58
For previous year(s) (Income tax)						(24.51)
Profit from Ordinary Activities		–		–	605.46	1,081.22
Exceptional Item		–		–	–	–
Net Profit		–		–	605.46	1,081.22

NOTES TO FINANCIAL STATEMENT

Particulars	(₹ in millions)					
	Equity Broking & Other related activities		Fund Based activities		Total	
	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
OTHER INFORMATION:						
Segment Assets	9,783.02	6,959.91	4,221.74	4,210.38	14,004.76	11,170.29
Unallocated Corporate Asset	3,515.21	–	–	–	3,515.21	2,488.53
Total Asset	13,298.24	6,959.91	4,221.74	4,210.38	17,519.97	13,658.82
Segment Liabilities	5,642.87	3,948.34	808.09	613.39	6,450.96	4,561.72
Unallocated Corporate Liabilities	3,440.93	–	–	–	3,440.93	2,074.45
Total Liabilities	5,642.87	3,948.34	808.09	613.39	9,891.89	6,636.18
Capital Expenditure	224.49	224.44	–	–	224.49	224.44
Depreciation	234.59	203.72	–	–	234.59	–
Non-cash expenses other than depreciation	51.79	15.89	–	–	51.79	15.89

Note 37 : Imports (Value on the Cost, Insurance and Freight basis)

Particulars	31-Mar-16 ₹ in Million	31-Mar-15 ₹ in Million
Capital goods	43.00	65.35

Note 38 :

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

Particulars	31-Mar-16 ₹ in Million	31-Mar-15 ₹ in Million
The Principal amount remaining unpaid at the end of the year	0.10	–
The Interest amount remaining unpaid at the end of the year	–	–
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	–	–
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	–	–
The amount of interest accrued and remaining unpaid at the end of accounting year	–	–
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.	0.10	–

NOTES TO FINANCIAL STATEMENT

Note 39 : Employee Benefits Disclosure

(a) Defined Contribution Plan

Particulars	31-Mar-16 ₹ in Million	31-Mar-15 ₹ in Million
Employer's contribution to Provident Fund	21.14	12.38
Employer's contribution to ESIC	1.76	0.83
Employer's contribution to NPS	2.16	1.65

(b) Defined Benefit Plan

Gratuity Plan

	(₹ in Millions)	
	31-Mar-16	31-Mar-15
I) Assumptions as at		
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest / Discount Rate	7.49%	7.77%
Rate of increase in compensation	10.00%	6.00%
Employee Attrition Rate(Past Service (PS))	PS: 0 to 37 : 23.25%	PS: 0 to 37 : 3.7%
Expected average remaining service	3.23	14.56
II) Changes in present value of obligations		
PVO at beginning of period	51.30	51.35
Interest cost	3.66	4.22
Current Service Cost	11.34	10.31
Past Service Cost- (non vested benefits)	—	—
Past Service Cost -(vested benefits)	—	—
Benefits Paid	(8.44)	(6.20)
Actuarial (Gain)/Loss on obligation	16.96	(8.39)
PVO at end of period	74.82	51.30
III Changes in fair value of plan assets		
Fair Value of Plan Assets at beginning of period	—	—
Expected Return on Plan Assets	—	—
Contributions	8.44	6.20
Benefit Paid	(8.44)	(6.20)
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	8.44	6.20
Benefit Paid	(8.44)	(6.20)
Fair Value of Plan Assets at end of period	—	—
Funded Status (including unrecognized past service cost)	(74.82)	(51.30)
Excess of actual over estimated return on Plan Assets	—	—

NOTES TO FINANCIAL STATEMENT

	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
V Experience History					
PVO at end of period	74.82	51.30	51.35	50.60	52.38
Fair Value of Plan Assets at end of period	–	–	–	–	–
Surplus / (Deficit)	(74.82)	(51.30)	(51.35)	(50.60)	(52.38)
(Gain)/Loss on obligation due to change in Assumption	13.76	(7.33)	(5.00)	(4.05)	(4.47)
Experience (Gain)/ Loss on obligation	3.19	(1.06)	3.13	(6.75)	7.64
Actuarial Gain/(Loss) on plan assets	–	–	–	–	–
VI Actuarial Gain/(Loss) recognized					
Actuarial Gain/(Loss) for the period (Obligation)				(16.96)	8.39
Actuarial Gain/(Loss) for the period (Plan Assets)				–	–
Total Gain/(Loss) for the period				(16.96)	8.39
Actuarial Gain/(Loss) recognized for the period				(16.96)	8.39
Unrecognized Actuarial Gain/(Loss) at end of period				–	–
VII Past Service Cost recognized					
Past Service Cost- (non vested benefits)				–	–
Past Service Cost -(vested benefits)				–	–
Average remaining future service till vesting of the benefit recognized Past service Cost- non vested benefits				–	–
recognized Past service Cost- vested benefits				–	–
Unrecognized Past Service Cost- non vested benefits				–	–
VIII Amounts to be recognized in the balance sheet and Statement of Profit and Loss					
PVO at end of period				74.82	51.30
Fair Value of Plan Assets at end of period				–	–
Funded Status				(74.82)	(51.30)
Unrecognized Actuarial Gain/(Loss)				–	–
Unrecognized Past Service Cost- non vested benefits				–	–
Net Asset/(Liability) recognized in the balance sheet				(74.82)	(51.30)
IX Expense recognized in the statement of P & L A/C					
Current Service Cost				11.34	10.31
Interest cost				3.66	4.22
Past Service Cost- (non vested benefits)				–	–
past Service Cost "(vested benefits)				–	–
Unrecognized Past Service Cost- non vested benefits				–	–
Expected Return on Plan Assets				–	–
Net Actuarial (Gain)/Loss recognized for the period				16.96	(8.39)
Expense recognized in the statement of P & L A/C				31.96	6.14
X Movements in the Liability recognized in Balance Sheet					
Opening Net Liability				51.30	51.35
Expenses as above				31.96	6.14
Contribution paid				(8.44)	(6.20)
Closing Net Liability				74.82	51.30
XI Schedule III of Companies Act 2013					
Current Liability				21.85	4.43
Non-Current Liability				52.96	46.87

NOTES TO FINANCIAL STATEMENT

Note 40 :

The Cost incurred by Motilal Oswal Financial Services (Holding Company) for issuing ESOP to the Employees of the company is ₹ Nil.

Note 41 :

During the year, Crisil Limited reaffirmed the Credit Rating of 'CRISIL A1+' (pronounced 'CRISIL A One Plus') to the following Debt programmes / Bank loan facilities of the company :-

Commercial Paper of ₹ 7000 Million (previous year ₹ 3000 Millions).

Note 42 : Business support:

The company provides business support to its subsidiaries, fellow subsidiaries & holding company for activities like Finance, Accounting, Human Resources, Information Technology, Back office Operations, Corporate Planning, Administrative services & various other services for which it recovers business support charges.

Note 43 : Foreign Currency Transactions:

Expenditure in Foreign Currency

Particulars	For the year ended 31-Mar-16 ₹ in Million	For the year ended 31-Mar-15 ₹ in Million
Travelling Expenses	18.20	20.02
Hire Charges equipment	0.07	—
Legal and Professional charges	0.02	—
Marketing Commission	18.07	41.10
Membership Fees	0.19	0.17
Software Charges	18.68	16.66
Lodging and Boarding Expenses	5.84	5.23
Client Entertainment Expenses	0.44	1.29
Advisory fees	13.94	13.90
TOTAL	75.46	98.37

Income in Foreign Currency

Particulars	For the year ended 31-Mar-16 ₹ in Million	For the year ended 31-Mar-15 ₹ in Million
Royalty	0.51	0.42
Advisory Fees	133.86	113.99
TOTAL	134.38	114.41

Note 44 : Earnings Per Share

Particular	As at 31-Mar-16	As at 31-Mar-15
Net Profit attributable to equity shareholders (₹ In millions) (A)	605.46	1,081.23
Number of weighted average equity shares (B) (In numbers)	1,318,830	1,318,830
EPS (A/B) ₹ (F.V. of ₹ 10 each) (In ₹)	459.09	819.84

NOTES TO FINANCIAL STATEMENT

Note 45 : Proposed Dividend

Particular

The final dividend proposed for the year is as follows:

	As at 31-Mar-16	As at 31-Mar-15
On Equity Shares of ₹ 10 each		
Amount of dividend proposed (₹ in millions)	–	139.80
Dividend per Equity Share (in ₹)	–	106

Note 46 :

Provisions made for the year ended 31st March 2016 comprises of :

	Opening balance as on 01- April 2015 ₹ in Million	Provided for the F.Y. 2015-16 ₹ in Million	Provision reversed / paid for the FY 2015-16 ₹ in Million	Closing balance as of 31 - Mar - 2016 ₹ in Million
Ex - gratia	333.25	239.96	333.25	239.96
Provision for Gratuity	51.30	31.96	8.44	74.82
Compensated Absences	3.13	3.90	3.13	3.90

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

	Opening balance as on 01- April 2014 ₹ in Million	Provided for the F.Y. 2014-15 ₹ in Million	Provision reversed / paid for the FY 2014-15 ₹ in Million	Closing balance as of 31 - Mar - 2015 ₹ in Million
Ex - gratia	82.54	347.89	97.19	333.25
Provision for Gratuity	51.35	6.14	6.20	51.30
Compensated Absences	2.06	3.13	2.06	3.13

Note 47 :

Amount of margin money and shares received from clients and outstanding as on 31st March, 2016 are as follows

Security Settlement for the	In the form of Securities at market Value* ₹ in Million	Bank Guarantees and Fixed Deposits ₹ in Million	Received in bank ₹ in Million
Year ended 31.03.2016	10184.97	135.00	575.77
Year ended 31.03.2015	8068.68	91.10	530.73

Margin money received in the form of securities from clients, as per the Regulations, is held by the Company. Out of this, securities worth ₹ 8436.88 Millions are pledged with Exchange as on 31st March, 2016.(Previous Year ₹ 5285.87 Millions)

Note 48 : Disclosures pursuant to Sec. 186 of the Companies Act, 2013

Particulars

	As at 31-Mar-16	As at 31-Mar-15
Loan to Holding Company - Motilal Oswal Financial Services Limited (For the purpose of meeting working capital requirements. It is repayable on demand and carries an average rate of interest of 10.75% (P.Y. 12%)	1.10	27.32

Note 49 : Corporate Social Responsibility

NOTES TO FINANCIAL STATEMENT

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

- a) Gross amount required to be spent by the company during the year ₹ 17.90 Millions (Previous Year ₹ 14.55 Millions)
b) Amount spent during the period ended 31st March 2016 on :

Particulars	Paid In Cash		Yet to be paid in Cash		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
i) Construction/acquisition of any asset:	0.26	–	–	–	0.26	–
ii) On Purposes other than (i) above	30.20	18.51	–	–	48.71	18.51
Total	30.46	18.51	–	–	30.46	18.51

Note 50 :

The previous period figures have been regrouped/reclassified, wherever necessary to confirm the current presentation.

As per our attached report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration no. 103523W

Amit A. Hundia

Partner

Membership No. 120761

Place : Mumbai

Dated : 30th April 2016

For and on behalf of the Board of Directors

MOTILAL OSWAL SECURITIES LTD.

Ajay Menon

Chairman & Managing Director

Place : Mumbai

Dated : 30th April 2016

Harsh Joshi

Whole Time Director

Motilal Oswal Investment Advisors Private Limited

Annual Report 2015-2016

BOARD'S REPORT

To the Members,

Your Directors have pleasure in presenting their 10th Annual Report together with the audited Financial Statement of your Company for the year ended 31st March 2016.

Financial Highlights

A summary of the financial performance of the Company for the financial year ended on 31st March 2016 is given below:

Amount (₹)

Particulars	Financial Year Ended 31.03.2016	Financial Year Ended 31.03.2015
Revenue	248,957,087	200,654,990
Profit before Interest, Depreciation & Taxation	31,831,499	12,143,590
Interest Paid	7,139,018	9,746,323
Depreciation	5,952,110	4,485,697
Profit / (Loss) before Taxation and exceptional item	18,740,371	(2,088,430)
Less: Provision for Taxation		
Current Tax	1,750,999	–
Deferred Tax	9,102,556	(934,800)
Tax for earlier year(s)	–	–
Profit / (Loss) for the year	7,886,816	(1,153,630)
Balance Profit / (Loss) brought Forward	(120,391,371)	(118,857,464)
Less: Transfer to General Reserve	–	–
Less: Transitional Depreciation	–	(380,277)
Balance Profit / (Loss) carried Forward	(112,504,555)	(120,391,371)

Review of Operations and Future Outlook

While there was traction in the economy, the volatility in global markets coupled with the lackluster demand for smaller deals confined the fund raising plans of the Companies. While the markets have remained at the elevated levels the much needed multiplier effect on investments and jobs is still to run its course. With the banking sector struggling with its asset quality, fresh funding through debt was in short supply, thereby causing a deferment in the equity fund raising plans of the companies. With several of the key elections out of the way, the Government is likely to push through some much needed policy reforms and debottlenecking of projects that should spur growth in the near to medium term.

In this backdrop, the teams, across service offerings, managed to close several deals in this fiscal, which has increased the visibility of MOIAPL as a full service investment bank. With the pipeline that the teams have built, we believe that the outlook for the forthcoming fiscal looks promising.

Dividend and Reserves

Your Directors have not recommended payment of dividend for the Financial Year 2015-16 with a view to conserve the resources of the Company for the expansion of the operations of the Company.

During the year under review, the Company did not transfer any amount to Reserves.

Share Capital

The issued and paid-up share capital of the Company as on 31st March 2016 is ₹ 99,000,000/- divided into 1,000,000 Equity Shares of ₹ 10/- each and 8,900,000 Preference Shares of ₹ 10/- each.

Deposits and Loans / Advances

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

During the year under review, the Company has accepted loans / advances from its Holding Company and the same is disclosed in the note no. 4 of annual accounts of the Company pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Subsidiaries / Joint Ventures / Associate Companies

The Company does not have any Subsidiary Companies, Joint Ventures and Associate Companies as on 31st March 2016.

Directors and Key Managerial Personnel

During the year, there was no appointment or resignation of Directors(s).

Mr. Raamdeo Agarawal, Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible, has offered himself for re-appointment.

During the year, Ms. Vidhi Gala, was appointed as the Company Secretary of the Company w.e.f. 21st December, 2015 and was designated as the Key Managerial Personnel pursuant to provisions of Section 2(51) and Section 203(1) of the Companies Act, 2013.

Number of Board Meetings

The Board meets at regular intervals to discuss and decide on the Company / business policy and strategy apart from other Board business. During the year under review, five Board Meetings were held and the interval between any two meetings was not more than 120 days. The status of attendance of Directors at these Board Meetings are as follows:

Name of the Director	Designation	Director Identification Number (DIN)	Meetings attended in Financial Year
Mr. Motilal Oswal	Director	00024503	5
Mr. Raamdeo Agarawal	Director	00024533	5
Mr. Navin Agrawal	Director	00024561	5
Total meetings held during the year			5

Business Risk Management

The organization realizes the importance of Enterprise Risk Management (ERM) framework and had taken early initiatives towards its implementation of business risk management policy. The organization has introduced several improvements to the business risk management policy.

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

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

Internal Financial Controls

The Company has in place adequate Internal Financial Control systems with reference to financial statements. During the year under review, no material or serious observation has been received from the Auditors of the Company for inefficiency or inadequacy of such controls.

Loans, Guarantees and Investments

The details of investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in note no. 9 to financial statements. During the year under review, there were no loans and guarantees given by the Company.

Related Party Transactions

All related party transactions that were entered into during the financial year were at arm's length basis and in the ordinary course of business.

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

BOARD'S REPORT *(Contd..)*

Statutory Auditors

Your Company had appointed M/s Aneel Lasod & Co., as Statutory Auditors for the term of five years at the Annual General Meeting held on September 30, 2014. In compliance to the provisions of Section 139 of the Companies Act, 2013, the appointment of the auditors is to be ratified by the members at every Annual General Meeting. M/s Aneel Lasod & Co., Chartered Accountant (ICAI Firm Registration No. 124609W) have given their consent for re-appointment. The members are requested to ratify the appointment of Auditors and fix their remuneration.

There were no qualifications, reservations, adverse remarks or disclaimers in the report of Statutory Auditors of the Company nor any frauds were reported by the auditor under Section 143(12) as per Companies Act, 2013.

Details in respect of Frauds reported by Auditors under section 143(12)

There were no such frauds reported by auditor.

Particulars of Employees as required under section 197 of the Companies Act, 2013 and rules framed there under

In accordance with the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the annexure pertaining to the names and other particulars of employees is available for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the said Annexure may write to the Company for the same.

Directors' Responsibility Statement

Pursuant to section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the Profit of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the annual accounts have been prepared on a going concern basis.
- (v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and the systems were adequate and operating effectively.

Extract of Annual Return

The Extract of Annual Return in Form MGT-9 under Section 92(3) and Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed herewith to this report as "Annexure 2".

Significant and Material Orders

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

Policy on Prevention of Sexual Harassment of Women at Workplace

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company is committed to provide an environment, which is free of discrimination, intimidation and abuse. The Company believes that it is the responsibility of the organisation to protect the integrity and dignity of its women employees and also to avoid conflicts and disruptions in the work environment due to such cases. The Company has put in place a 'Policy against Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy, any women employee may report her complaint to the Redressal Committee formed for this purpose. We affirm that adequate access was provided to any complainant who wish to register a complaint under the policy. There were no complaints received by the Company, during the FY 2015-16.

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

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

There was no inflow of foreign exchange during the year under review. The details of outflow of foreign exchange is given in note no. 24 of the financial statement.

Mandatory disclosures in the Boards' report

Following mandatory disclosures in the Boards' Report pursuant to the provisions of the Companies Act, 2013 are not applicable to the Company:

- Section 134(3)(d) - A statement on declaration given by independent directors under sub-section (6) of section 149;
- Section 134(3)(e) - As per sub-section (1) of section 178, policies on appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178;
- Section 134(3)(f) - Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made by the Company secretary in practice in his secretarial audit report;
- Section 134(3)(l) - Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statement relate and the date of the report;
- Section 135 - Corporate Social Responsibility;
- Section 177 - Audit Committee;
- Section 177(9) - Establishment of Vigil Mechanism;
- Section 178 - Nomination And Remuneration Committee and stakeholders Relationship Committee;
- Section 204 - Secretarial Audit;
- Performance Evaluation of the Board of Directors;

Acknowledgments

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

For and on behalf of the Board of
Motilal Oswal Investment Advisors Private Limited

Motilal Oswal
Chairman
(DIN: 00024503)

Place : Mumbai

Date : 22nd April, 2016.

ANNEXURE 1 TO THE BOARD'S REPORT

Form No. AOC-2

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

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

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

(Amount in ₹)

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

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

(Amount in ₹)

Sr. No.	Name of the Related Party	Nature of the relationship	Nature of Contract	Duration of Contract	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any
1	Motilal Oswal Financial Services Limited	Holding Company	Availing of services	On going	Loan Taken by Motilal Oswal Investment Advisors Private Limited from Motilal Oswal Financial Services Limited	Nil
2	Motilal Oswal Financial Services Limited	Holding Company	Availing of services	On going	Interest accrued on borrowings to be paid by Motilal Oswal Investment Advisors Private Limited to Motilal Oswal Financial Services Limited	Nil
3	Motilal Oswal Financial Services Limited	Holding Company	Rendering of Advisory services	On going	Advisory fees received by Motilal Oswal Investment Advisors Private Limited from Motilal Oswal Financial Services Limited	Nil
4	Motilal Oswal Financial Services Limited	Holding Company	Availing of services	On going	Rent paid by Motilal Oswal Investment Advisors Private Limited to Motilal Oswal Financial Services Limited	Nil
5	Motilal Oswal Financial Services Limited	Holding Company	Availing of services	On going	Interest paid by Motilal Oswal Investment Advisors Private Limited to Motilal Oswal Financial Services Limited	Nil

* Definition of Materiality has been adopted from Regulation 23 of the Listing Regulations, 2015 which states as follows: Transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statement of the Company. Since the Company does not have any subsidiary Company, materiality is decided based on transactions exceeding 10% of the standalone turnover as per the last audited financial statement of the Company.

For and on behalf of the Board of
Motilal Oswal Investment Advisors Private Limited

Place : Mumbai

Date : 22nd April, 2016.

Motilal Oswal
Chairman
(DIN : 00024503)

ANNEXURE 2 TO THE BOARD'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March 2016

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

I. Registration and Other Details

i) CIN	U67190MH2006PTC160583
ii) Registration Date	20th March, 2006
iii) Name of the Company	Motilal Oswal Investment Advisors Private Limited
iv) Category / Sub Category of the Company	Public Limited Company
v) Address of the Registered Office and contact details	Motilal Oswal Tower, 12th Floor, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025. Tel. No. +91 22 3980 4200
vi) Whether Shares Listed On Recognized Stock Exchange(s)	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

II. Principal Business Activities of the Company

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Sale of Services (Advisory & Referral Fees)	6619	99.73%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Motilal Oswal Financial Services Limited (MOFSL)	L67190MH2005PLC153397	Holding	100	2(46)

Note:

- There are no Subsidiary and Associate Companies of the Company as on 31st March 2016.
- Passionate Investment Management Private Limited (PIMPL) is the ultimate holding Company and holds 54.01% shares in Motilal Oswal Financial Services Limited (MOFSL).

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Bodies Corp.	10,00,000	–	10,00,000	100	10,00,000	–	10,00,000	100	0
Sub-total (A) (1)	10,00,000	–	10,00,000	100	10,00,000	–	10,00,000	100	0

ANNEXURE 2 TO THE BOARD'S REPORT

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	10,00,000	-	10,00,000	100	10,00,000	-	10,00,000	100	0
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	10,00,000	-	10,00,000	100	10,00,000	-	10,00,000	100	0

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	No. of shares	% of the total shares of the company	% of the shares pledged / encumbered to total shares	% change in shareholding during the year
1	Motilal Oswal Financial Services Ltd.	9,99,999	100	-	9,99,999	100	-	0
2	Motilal Oswal Financial Services Ltd. Jointly with Mr. Motilal Oswal	1	0	-	1	0	-	0
	Total	1,000,000	100	-	1,000,000	100	-	0

iii) Change in Promoters' Shareholding:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year/ end of the year		Date	Increase / (Decrease) in Share-holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Motilal Oswal Financial Services Ltd.	9,99,999	100	01-04-2015	0	Nil movement during the year	9,99,999	100
		9,99,999	100	31-03-2016				
2	Motilal Oswal Financial Services Ltd. Jointly with Mr. Motilal Oswal	1	0	01-04-2015	0	Nil movement during the year	1	0
		1	0	31-03-2016				

ANNEXURE 2 TO THE BOARD'S REPORT

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

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
NIL							

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Designation	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NIL						

V. Indebtedness

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

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	42,156,213	-	42,156,213
ii) Interest due but not paid	-	972,313	-	972,313
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)		43,128,526		43,128,526
Change in Indebtedness during the financial year				
• Addition	-	161,500,000	-	161,500,000
• Reduction	-	147,471,400	-	147,471,400
Net Change	-	14,028,600	-	14,028,600
Indebtedness at the end of the financial year				
i) Principal Amount	-	27,411,963	-	27,411,963
ii) Interest due but not paid	-	1,200,619	-	1,200,619
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	28,612,582	-	28,612,582

ANNEXURE 2 TO THE BOARD'S REPORT

VI. Remuneration of Directors and Key Managerial Personnel

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	–
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–	–
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	–	–
2	Stock Option	–	–
3	Sweat Equity	–	–
4	Commission as % of profit	–	–
5	Others, please specify Variable Incentives	–	–
	Total (A)	–	–
	Ceiling as per the Act *5% of the net profit calculated as per Section 198		

B. Remuneration to other directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors		
	• Fee for attending board / committee meetings	–	–
	• Commission	–	–
	• Others, please specify	–	–
	Total (1)	–	–
2.	Other Non-Executive Directors		
	• Fee for attending board / committee meetings	–	–
	• Commission	–	–
	• Others, please specify	–	–
	Total	–	–

C. Remuneration to key managerial personnel other than MD / Manager / WTD:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary (appointed w.e.f. 21.12.2015)	CFO	Total
			Vidhi Gala		
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961*	–	250,000	–	250,000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–	–	–	–
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	–	–	–	–

* For the period 21.12.2015 to 31.03.2016.

INDEPENDENT AUDITORS' REPORT

VII. Penalties / Punishment / Compounding of Offences:

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

For and on behalf of the Board of
Motilal Oswal Investment Advisors Private Limited

Place : Mumbai
Date : 22nd April, 2016.

Motilal Oswal
Chairman
(DIN : 00024503)

INDEPENDENT AUDITORS' REPORT

The MEMBERS of MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED.

Report on the Financial Statements:

We have audited the accompanying financial statements of MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED ("the Company"), which comprises the Balance Sheet as at 31st March 2016, the statement of Profit and Loss and the Cash Flow Statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

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

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. 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 statements are free from material misstatement.

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

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2016; and
- (ii) In the case of the statement of Profit and Loss, of the Loss for the year ended on that date;
- (iii) In the case of the Cash Flow Statement, of the 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"), as amended, issued by the Central Government of India in terms of sub-section (1) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have 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 our examination of those books;
 - (c) The company's balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns;
 - (d) In our opinion, the financial statements comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

INDEPENDENT AUDITORS' REPORT

- (e) On the basis of written representations received from the directors as on 31st March 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
- (f) The company has adequate internal financial controls system in place and is operating effectively.
- (g) The company does not have any pending litigations as at 31st March 2016 which would impact its financial position.
- (h) The company did not have any Long Term Contracts including derivative contracts for which there were any material foreseeable losses.

For **ANEEL LASOD AND ASSOCIATES**

Chartered Accountants

Firm Registration No.:- 124609W

Aneel Lasod

Partner

Membership No.040117

Place: Mumbai

Date: April 22, 2016

INDEPENDENT AUDITORS' REPORT *(Contd..)*

Annexure referred to in our report to the members of MOTILAL OSWAL INVESTMENT ADVISORS PRIVATE LIMITED for the year ended March 31, 2016.

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. 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) and ; therefore this clause is not applicable

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.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

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 188 and Section 177 of the Companies Act, 2013 wherever applicable the details have been disclosed in the Financial Statements etc as required by accounting standard.

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

Membership No.040117

Place: Mumbai

Date: April 22, 2016

INDEPENDENT AUDITORS' REPORT *(Contd..)*

The MEMBERS of MOTILAL OSWAL INVESTMENT ADVISORS 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 INVESTMENT ADVISORS PRIVATE LIMITED ("the Company") as of 31st March 2016 in conjunction with our audit of the standalone financial statements 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 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 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 The Institute of Chartered Accountant of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the internal financial controls are free from material misstatement.

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 statements, 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 statements 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 transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure 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 unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting;

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, 2016, based on the essential components of internal control stated in the guidance notes issued by ICAI.

For **ANEEL LASOD AND ASSOCIATES**

Chartered Accountants

Firm Registration No.:- 124609W

Aneel Lasod

Partner

Membership No.040117

Place: Mumbai

Date: April 22, 2016

BALANCE SHEET

Balance Sheet as at March 31, 2016

	Note No.	As on 31-Mar-16 (In ₹)	As on 31-Mar-15 (In ₹)
I EQUITY AND LIABILITIES			
Share Holders' Funds :			
Share Capital	1	99,000,000	99,000,000
Reserves and Surplus	2	43,839,711	35,952,895
Non-Current Liabilities:			
Long-term Provision	3	6,554,121	6,070,441
Other long term liabilities			
Current Liabilities:			
Short-term Borrowings	4	27,411,963	42,156,213
Trade Payables	5	67,461	2,098,939
Other Current Liabilities	6	15,128,223	16,745,030
Short-term Provisions	7	9,245,402	6,832,911
TOTAL		201,246,881	208,856,429
II. ASSETS			
Non- Current Assets			
Property Plant & Equipments:			
Tangible Assets	8 (1)	6,548,307	8,583,894
Intangible Assets	8 (2)	25,941	14,423
Non-Current Investments	9	28,526,613	28,526,603
Deferred Tax Asset (Net)	10	40,602,738	49,705,294
Long Term Loans & Advances	11	76,366,613	56,963,726
Trade Receivables	12	40,000,697	52,964,889
Cash and bank balances	13	1,800,365	4,260,520
Short Term Loans & Advances	14	7,375,606	7,837,079
TOTAL		201,246,881	208,856,429

Notes to Accounts referred above form a significant part of the financial statements

As per our attached report of even date

For Aneel Lasod and Associates

Chartered Accountants

Aneel Lasod

Partner

M No: 40117

Place : Mumbai

Dated : 22nd April, 2016

For and on behalf of the Board of
Motilal Oswal Investment Advisors Private. Ltd

Motilal Oswal

Director

DIN No. 00024503

Raamdeo Agarawal

Director

DIN No. 00024533

Vidhi Gala

Company Secretary

STATEMENT OF PROFIT AND LOSS

Statement of Profit and Loss for the year ended 31st March, 2016

	Note No.	For the Period ended 31-Mar-16 (In ₹)	For the Period ended 31-Mar-15 (In ₹)
REVENUE :			
Revenue from operations	15	248,284,202	200,600,419
Other Income	16	672,885	54,571
Total Revenue		248,957,087	200,654,990
EXPENSES			
Employee benefit Expenses	17	147,541,528	124,364,790
Finance Cost	17	7,139,018	9,746,323
Depreciation	8	5,952,110	4,485,697
Other Expenses	17	69,584,059	64,146,610
Total Expenses		230,216,716	202,743,420
Profit/(Loss) Before Taxation		18,740,371	(2,088,430)
Tax Expenses			
Current tax		1,750,999	–
Minimum Alternate Tax Credit		–	–
Deferred tax		9,102,556	(934,800)
For previous year(s)		–	–
Profit/(Loss) for the period		7,886,816	(1,153,630)
Earnings/(Loss) per share (₹)			
Equity share of par value ₹10 each			
Basic		7.89	(1.15)
Diluted		7.89	(1.15)

Notes to Accounts referred above form a significant part of the financial statements

As per our attached report of even date

For Aneel Lasod and Associates
Chartered Accountants

For and on behalf of the Board of
Motilal Oswal Investment Advisors Private. Ltd

Aneel Lasod

Partner

M No: 40117

Place : Mumbai

Dated : 22nd April, 2016

Motilal Oswal

Director

DIN No. 00024503

Raamdeo Agarawal

Director

DIN No. 00024533

Vidhi Gala

Company Secretary

CASH FLOW STATEMENT

Cash flow statement as of 31st March 2016

Particulars	For the Period ended 31-Mar-16 (In ₹)	For the Period ended 31-Mar-15 (In ₹)
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT/ (LOSS) BEFORE TAX	18,740,371	(2,088,430)
Add		
1) Depreciation	5,952,110	4,485,697
2) Interest Paid	7,139,018	9,746,323
Less		
1) Dividend Received	(671,410)	(54,343)
OPERATING PROFIT	31,160,089	12,089,247
Adjustment For:		
1) Increase/(Decrease) In Long-term Provision	483,680	1,724,794
2) Increase/(Decrease) in Short-term Provision	2,412,491	4,919,342
3) Increase/(Decrease) in Trade payable	(2,031,478)	2,098,939
4) Increase/(Decrease) in Other Current Liabilities	(1,616,807)	4,944,734
5) Increase/(Decrease) in short term borrowing	(14,744,250)	(23,184,400)
6) (Increase)/Decrease in Trade Receivables	12,964,192	(11,184,825)
7) (Increase)/Decrease in Short Term Loans & Advances	461,472	(1,024,694)
8) (Increase)/Decrease in Long Term Loans & Advances	(19,402,887)	(20,425,007)
CASH GENERATED FROM OPERATION	9,686,503	(30,041,870)
Taxes Paid	(1,746,796)	–
NET CASH GENERATED FROM OPERATING ACTIVITIES	7,939,708	(30,041,870)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(3,932,244)	(1,217,016)
Sale of investment	(10)	836,658
Purchase of Investment	–	–
Dividend Received	671,410	54,343
NET CASH FLOW FROM INVESTING ACTIVITIES	(3,260,844)	(326,015)

CASH FLOW STATEMENT (Contd..)

Particulars	For the Period ended 31-Mar-16 (In ₹)	For the Period ended 31-Mar-15 (In ₹)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) In Share capital	–	39,000,000
Interest Paid	(7,139,018)	(9,746,323)
NET CASH GENERATED/(USED) FROM FINANCING ACTIVITIES	(7,139,018)	29,253,677
NET CASH GENERATED/(USED)FOR THE YEAR ENDED	(2,460,155)	(1,114,208)
Cash & Cash Equivalents as at beginning of period :		
Cash as at beginning of period	66,434	18,178
Scheduled Banks- In Current Accounts	4,194,086	5,356,550
Cash & Cash Equivalents as at beginning of year	4,260,520	5,374,728
Cash & Cash Equivalents as at end of period :		
Cash as at end of period	8,460	66,434
Scheduled Banks- In Current Accounts	1,791,905	4,194,086
Cash & Cash Equivalents as at end of year	1,800,365	4,260,520

As per our attached report of even date

For Aneel Lasod and Associates

Chartered Accountants

Aneel Lasod

Partner

M No: 40117

Place : Mumbai

Dated : 22nd April, 2016

For and on behalf of the Board of
Motilal Oswal Investment Advisors Private. Ltd

Motilal Oswal

Director

DIN No. 00024503

Raamdeo Agarawal

Director

DIN No. 00024533

Vidhi Gala

Company Secretary

NOTES TO FINANCIAL STATEMENT

Note 1 : Share Capital

	As at 31-Mar-16		As at 31-Mar-15	
	In Numbers	In ₹	In Numbers	In ₹
Authorised				
Equity Shares, of ₹ 10/- par value	1,000,000	10,000,000	1,000,000	10,000,000
Preference Shares of ₹ 10/- par value	9,000,000	90,000,000	9,000,000	90,000,000
TOTAL	10,000,000	100,000,000	10,000,000	100,000,000
Issued, Subscribed & Paid Up				
Equity Shares of ₹10/- each fully paid up	1,000,000	10,000,000	1,000,000	10,000,000
Preference Shares of ₹ 10/- each fully paid up	8,900,000	89,000,000	8,900,000	89,000,000
TOTAL	9,900,000	99,000,000	9,900,000	99,000,000

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 89,00,000 preference shares of ₹ 10 each issued & subscribed as on 31.03.2015 . The company has issued Nil preference shares in Current Year

1.2 Reconciliation of the number of shares outstanding

Particulars	As at 31-Mar-16		As at 31-Mar-15	
	In Numbers	In ₹	In Numbers	In ₹
Number of share at beginning of the year	1,000,000	10,000,000	10,000,000	10,000,000
Number of share at end of the year	1,000,000	10,000,000	1,000,000	10,000,000

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

Share Holders	As at 31-Mar-16		As at 31-Mar-15	
	No of Shares	% of Holding	No of Shares	% of Holding
Motilal Oswal Financial Services Ltd.	1,000,000	100	10,000,000	100
Motilal Oswal Financial Services Ltd.	8,900,000	100	89,000,000	100

NOTES TO FINANCIAL STATEMENT

Note 2: Reserves and Surplus

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
General Reserve		
Opening balance	66,344,267	66,344,267
Add: Addition during the year	(1)	–
Balance as at end of the year	66,344,266	66,344,267
Capital Redemption Reserve		
Opening balance	90,000,000	90,000,000
Add: Addition during the year	–	–
Balance as at end of the year	90,000,000	90,000,000
Surplus		
Opening balance	(120,391,371)	(118,857,464)
Less: Loss of Current year	7,886,816	(1,153,630)
Less: Transition Depreciation		(380,277)
Balance as at end of the year	(112,504,555)	(120,391,371)
TOTAL	43,839,711	35,952,895

Note 3 : Long Term Provisions

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Provision for employee benefits		
Provision for Gratuity (also refer note 23)	6,554,121	6,070,441
TOTAL	6,554,121	6,070,441

Note 4 : Short Term Borrowings

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Loan from Related Party (Unsecured, Considered Good)		
From Holding Company(Motilal Oswal Financial Services Ltd)	27,411,963	42,156,213
TOTAL	27,411,963	42,156,213

Note 5: Trade Payables

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Trade Payables	67,461	2,098,939
TOTAL	67,461	2,098,939

NOTES TO FINANCIAL STATEMENT

Note 6 : Other Current Liabilities

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
For Other Liabilities:		
Salary, bonus & other benefits	487,469	442,354
For Expenses	1,258,675	4,197,964
Withholding and other Taxes Payable	8,090,391	9,019,090
Other Payables	4,091,068	2,113,309
Interest Accrued and due	1,200,619	972,313
TOTAL	15,128,223	16,745,030

Note 7 : Short Term Provisions

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Provision for employee benefits		
For Gratuity (also refer note 23)	1,145,402	2,032,911
Ex-Gratia	8,100,000	4,800,000
TOTAL	9,245,402	6,832,911

Note 8 :

(in ₹)

PARTICULARS	GROSS BLOCK				DEPRICIATION				NET BLOCK	
	As At 1-Apr-15	Additions	Deduction	As At 1-Apr-16	As At 1-Apr-15	Additions	Deduction	As At 1-Apr-16	As At 1-Apr-16	As At 1-Apr-15
Computer Software	146,000	64,084	32,042	178,042	131,576	20,522		152,098	14,424	25,944
Renovation To Leased Office Premises		7,376,808	3,688,404	3,688,404		1,236,346		1,236,346	0	2,452,058
Lease Hold Improvement	17,642,662			17,642,662	11,557,401	3,046,782		14,604,183	6,085,261	3,038,479
Furniture	4,842,927			4,842,927	3,385,736	996,472		4,382,208	1,457,191	460,719
Electrical Equipment	439,097			439,097	294,987	50,332		345,319	113,643	93,778
Mobile	299,513			299,513	263,447	21,090		284,537	36,066	14,976
Office Equipments	320,578	68,800	26,000	363,378	162,594	106,595		269,189	192,651	94,189
Projector	100,829			100,829	95,788			95,788	5,041	5,041
Computer-1	2,970,187	337,996	168,998	3,139,185	2,276,150	473,972		2,750,122	694,037	389,063
Total	26,761,793	7,847,688	3,915,444	30,694,037	18,163,479	5,952,110	0	24,115,589	8,598,314	6,574,248

NOTES TO FINANCIAL STATEMENT

Note 9 : Non-Current Investments

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Non-Current Investments (At Cost)		
Others (unquoted)		
Investment in Funds		
Reliance Alternative Investments Fund - Private Equity Scheme I 15,00,000 units of ₹ 10 each, ₹ 10 paid up, (Previous Year 15,00,000 units of ₹ 10 each, ₹ 10 Paid up)	15,000,000	15,000,000
Aditya Birla Private Equity - Fund I 1,41,263 units of ₹ 95.76, ₹ 95.76 paid up (Previous Year 1,41,263 units of ₹ 95.76, ₹ 95.76 paid up, face value of ₹ 100 each)	13,526,603	13,526,603
Investment in Shares/Debentures	10	—
TOTAL	28,526,613	28,526,603

Note 10: Deferred Taxes (Net)

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Deferred tax asset on		
Written Down Value of Fixed Assets	3,402,881	2,266,596
Business Loss	34,820,705	40,841,967
Prov for bad debts		4,092,795
Gratuity provision	2,379,153	2,503,936
Total	40,602,738	49,705,294

Note 11: Long Term Loans and Advances

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Other deposits	7,160,970	7,160,970
Prepaid Expenses	396,204	38,789
Advance Tax (Net of Provisions)	68,809,439	49,763,967
TOTAL	76,366,613	56,963,726

Note 12: Trade Receivable

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Unsecured, Considered Good		
Debts outstanding for a period exceeding Six months	27,458,650	43,510,716
Other debts for a period Less then Six months	12,542,047	23,724,421
Unsecured, Considered Doubtful		
Debts outstanding for a period exceeding Six months	—	—
Less: Provision for Doubtful Debts	—	(14,270,248)
TOTAL	40,000,697	52,964,889

NOTES TO FINANCIAL STATEMENT

Note 13: Cash And Cash Equivalents

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Cash and Cash Equivalents		
Cash in Hand	8,460	66,434
Balance with Bank		
Scheduled Banks- In Current Accounts	1,791,905	4,194,086
TOTAL	1,800,365	4,260,520

Note 14: Short Term Loans and Advances

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Unsecured, considered good		
Prepaid Expenses	1,211,478	1,850,663
Others	182,766	7,873
Advance Tax (Net of Provisions)	5,978,543	5,978,543
Service Tax Credit receivable	2,819	
TOTAL	7,375,606	7,837,079

Note 15: Revenue from operations

	For the Year Ended 31-Mar-16 In ₹	For the Year Ended 31-Mar-15 In ₹
Sale of Services(Advisory & Referral Fees)	248,284,202	200,600,419
Other Operating Revenue	-	-
TOTAL	248,284,202	200,600,419

Note 16: Other Income

	For the Year Ended 31-Mar-16 In ₹	For the Year Ended 31-Mar-15 In ₹
Interest Income (Gross)	1,475	-
Dividend Income	671,410	54,343
Foreign Exchange Fluctuation - Income	-	-
Other Non Operating Revenue	-	228
TOTAL	672,885	54,571

NOTES TO FINANCIAL STATEMENT

Note 17: Expenses

	For the Year Ended 31-Mar-16 In ₹	For the Year Ended 31-Mar-15 In ₹
EMPLOYEE BENEFIT		
Salary, Bonus and Allowances	139,509,301	117,581,659
Contribution to provident & other Funds	3,301,289	2,757,947
Staff Welfare Expenses	4,442,077	1,707,970
Gratuity (refer note 23)	288,862	2,317,214
TOTAL	147,541,528	124,364,790
FINANCE COST		
Interest Cost	7,139,018	9,746,323
TOTAL	7,139,018	9,746,323
OTHER EXPENSES		
Advisory/Referral expenses	–	2,456,000
Rent	16,330,095	16,302,924
Rates & Taxes	9,970	9,667
Insurance	687,742	325,795
Computer Maintenance	6,422	34,807
Legal & Professional Charges	4,095,088	1,593,138
Remuneration to Auditors (Refer Note 18)	138,935	75,000
Membership & Subscription	4,394,878	2,102,220
Marketing & Brand Promotion Expenses	836,951	209,358
Printing & Stationery	1,403,207	828,222
Power & Fuel	2,585,411	2,730,222
Communication Expenses	2,434,160	2,236,800
Travelling Expenses & Conveyance	16,749,435	13,248,722
Entertainment Expenses	3,896,188	3,450,046
Preliminary Expenses written off	–	–
Loss on sale of Fixed Assets	–	–
Foreign Exchange Fluctuation	639,613	(14,942)
Bad debts w/off (Net of provision for doubtful debts)	6,133,675	1,024,956
Provision for Bad & Doubtful Debts	–	14,270,248
Brokerage Paid	5,398,751	–
Office Expenses	–	–
Filing Fees	559,940	–
Miscellaneous Expenses	3,272,598	3,263,427
Repairs & Maintenance -Others	11,000	–
TOTAL	69,584,059	64,146,610

NOTES TO FINANCIAL STATEMENT

Note 18 : Nature of Business

The company is a merchant banker and an investment banker. As an investment banking company Motilal Oswal Investment Advisors Private 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 Statements:

The financial statements of the Company are prepared under the historical cost convention, on the accrual basis of accounting and comply in all material respects with the generally accepted accounting principles in India, the applicable accounting standards notified under Section 133 of the Companies Act, 2013 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.

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

19.3 Property, Plant and 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. 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:

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

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

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

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 service tax.
- b) Interest income is recognised on accrual basis.

NOTES TO FINANCIAL STATEMENT

- 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:

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.

19.9 Taxation:

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

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 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 reasonable/virtually certain (as the case may be) to be realised.

Classification:

Advance tax and provision for tax is shown on net basis. If the net amount is credit, it is disclosed as short term provision. If the net amount is debit, it is bifurcated into current and non-current on the basis of status of assessment proceedings and estimation of time for final outcome i.e. if the tax refund is expected within 12 months from the balance sheet date, it is disclosed under short term loans and advances, otherwise it is disclosed under long term loans and advances.

NOTES TO FINANCIAL STATEMENT

19.10 Sign on Bonus:

Sign on Bonus paid to the employees is accounted under Other Assets in the Balance sheet and debited to Profit & Loss over the period of minimum employment as agreed.

19.11 Provisions and Contingencies:

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

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

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

19.12 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-16 In (₹)	31-Mar-15 In (₹)
Audit Fees	30,000	30,000
Tax Audit Fees	15,000	15,000
Interim Review	30,000	30,000
Other Services	63,935	—
TOTAL	138,935	75,000

Note 21 : Basic & Diluted Earnings per share:

	31-Mar-16	31-Mar-15
Net Profit /(Loss) attributable to equity shareholders [A]	7,886,816	(1,153,630)
Number of weighted average equity shares issued [B]	1,000,000	1,000,000
Basic Earnings/(Loss) per share (EPS) –[A/B] (₹)	7.89	(1.15)
Weighted Number of equity shares outstanding for Diluted EPS [C]	1,000,000	1,000,000
Diluted Earnings/(loss) per share (DEPS) [A/C] (₹)	7.89	(1.15)

Note 22 : Related Party Disclosure As Per AS 18:

(i) Relationships during the year

Holding Company:

- Motilal Oswal Financial Services Limited

NOTES TO FINANCIAL STATEMENT

Ultimate Holding Company:

- Passionate Investment Management Private Limited

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 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
- VISU Associates Partnership firm
- OSAG Enterprises LLP

Key management personnel

- Motilal Oswal Chairman
- Raamdeo Agrawal – Director

Enterprises in which key management personnel exercise significant influence

- Motilal Oswal Foundation

- (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: 31-03-2016

Transaction	Name of the related Party	Holding Company		Fellow Subsidiaries		Total	
		2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
Advisory Fees (Income)	Motilal Oswal Financial Services Limited	(5,323,453)	(7,366,613)			(5,323,453)	(7,366,613)
	Motilal Oswal Securities Limited	–	–	(1,500,000)	–	(1,500,000)	–
Referral Fee Expense	Motilal Oswal Wealth Management Limited	260,000	–	–	–	260,000	–
Interest Expense	Motilal Oswal Financial Services Limited	6,954,059	9,708,163			6,954,059	9,708,163
Rent Expense	Motilal Oswal Financial Services Limited	14,321,940	14,321,940			14,321,940	14,321,940
	Motilal Oswal Securities Limited	–	–	1,980,984	1,980,984	1,980,984	1,980,984
Loans (Maximum balance)	Motilal Oswal Financial Services Limited	(90,527,613)	(128,156,213)	–	–	(90,527,613)	(128,156,213)
Outstanding Balances:							
Loans Given / (Taken)	Motilal Oswal Financial Services Limited	(31,797,369)	(42,156,213)	–	–	(31,797,369)	(42,156,213)
Sundry (payables) / receivables	Motilal Oswal Financial Services Limited	1,357,184	2,565,951	–	–	1,357,184	2,565,951
	Motilal Oswal Securities Limited	–	–	(33,655)	–	(33,655)	–
Other (payables)	Motilal Oswal Financial Services Limited	(849,729)	(979,242)	–	–	(849,729)	(979,242)
Rent Deposit (Received) / Given	Motilal Oswal Financial Services Limited	7,160,970	7,160,970	–	–	7,160,970	7,160,970

Notes: Income/Liability figure are shown in brackets.

NOTES TO FINANCIAL STATEMENT

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.

	31-Mar-16	31-Mar-15
I Assumptions as at		
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest / Discount Rate	7.49%	7.77%
Rate of increase in compensation	6.00%	10.00%
Rate of return (expected) on plan assets		
Employee Attrition Rate(Past SelVice (PS))	PS: 0 to 37 : 10.34	PS: 0 to 37 : 19.18%
Expected average remaining service	7.04	3.86
II Changes in present value of obligations		
PVO at beginning of period	8,103,352	6,259,216
Interest cost	602,719	526,984
Current Service Cost	1,559,098	1,852,956
Past Service Cost- (non vested benefits)	–	–
Past Service Cost -(vested benefits)	–	–
Benefits Paid	(692691)	(473,078)
Actuarial (Gain)/Loss on obligation	(1872955)	(62,726)
PVO at end of period	7,699,523	8,103,352
III Changes in fair value of plan assets		
Fair Value of Plan Assets at beginning of period	–	–
Expected Return ori Plan Assets	–	–
Contributions	692,691	473,078
Benefit Paid	(692691)	(473,078)
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	692,691	473,078
Benefit Paid	(692691)	(473,078)
Fair Value of Plan Assets at end of period	–	–
Funded Status (including unrecognised past service cost)	(7,699,523)	(8,103,352)
Excess of actual over estimated return on Plan Assets	–	–
V Experience History	31-Mar-16	31-Mar-15
(Gain)/Loss on obligation due to change in Assumption	(633,093)	(72,109)
Experience (Gain)/ Loss on obligation	(1,239,862)	9,383
Actuarial Gain/(Loss) on plan assets	–	–
VI Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the period (Obligation)	1,872,955	62,726
Actuarial Gain/(Loss) for the period (Plan Assets)	–	–
Total Gain/(Loss) for the period	1,872,955	62,726
Actuarial Gain/(Loss) recognized for the period	1,872,955	62,726
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	–	–

NOTES TO FINANCIAL STATEMENT

	31-Mar-16	31-Mar-15
VIII Amounts to be recognized in the balance sheet and statement of profit & loss account		
PVO at end of period	7,699,523	8,103,352
Fair Value of Plan Assets at end of period	–	–
Funded Status	(7,699,523)	(8,103,352)
Unrecognized Actuarial Gain/(Loss)	–	–
Unrecognised Past Service Cost- non vested benefits	–	–
Net Asset/(Liability) recognized in the balance sheet	(7,699,523)	(8,103,352)
IX Expense recognized in the statement of P & LAIC		
Current Service Cost	1,559,098	1,852,956
Interest cost	602,719	526,984
Past Service Cost- (non vested benefits)	–	–
past Service Cost "(vested benefits)	–	–
Unrecognised Past Service Cost- non vested benefits	–	–
Expected Return on Plan Assets	–	–
Net Actuarial (Gain)/Loss recognized for the period	(1,872,955)	(62,726)
Expense recognized in the statement of P & L AIC	288,862	2,317,214
X Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	8,103,352	6,259,216
Expenses as above	288,862	2,317,214
Contribution paid	(692,691)	(473,078)
Closing Net Liability	7,699,523	8,103,352
XI Revised Schedule VI		
Current Liability	1,145,402	2,279,912
Non-Current Liability	6,554,121	5,823,440

Note 24 : Activity in Foreign Currency

	31-Mar-16 In (₹)	31-Mar-15 In (₹)
Expenditure in foreign currency		
Membership and subscription Charges	2,325,591	1,254,930
TOTAL	2,325,591	1,254,930

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 ₹ 6,39,613 (PY (14,942)) has been debited/ credited to profit and loss account and shown separately.

Note 26 :

Provisions made for the Year ended 31st March, 2016 comprises of:

	Opening balance	Provided during the year ended 31st March, 2016	Provision Paid /reversed during the year ended 31st March, 2016	Closing balance as of 31st March, 2016
Ex-gratia (Bonus)	4,800,000	8,100,000	4,800,000	8,100,000
Gratuity	8,103,352	288,862	692,691	7,699,523

NOTES TO FINANCIAL STATEMENT

Provisions made for the Year ended 31st March, 2015 comprises of:

	Opening balance	Provided during the year ended 31st March, 2015	Provision Paid /reversed during the year ended 31st March, 2015	Closing balance as of 31st March, 2015
Ex-gratia (Bonus)	–	4,800,000	–	4,800,000
Gratuity	6,259,216	2,317,214	473,078	8,103,352

Note 27 :

The Company has unabsorbed business loss of ₹ 11,26,88,364/- (P.Y. ₹ 13,21,74,649/-) on which it has recognized Deferred Tax Assets (DTA) of ₹ 3,48,20,705/- (P.Y. ₹ 4,08,41,967/-). Such recognition of DTA is created on the basis of profits / revenue which is going to be generated in future. Profit generated from such agreement will be able to recoup the entire amount of existing unabsorbed losses.

Note 28 Contingent liability & Capital Commitments:

Contingent liability:

Demand in respect of Income Tax matters for which appeal is pending is Nil (Previous Year Nil).

Capital Commitments:-

The Company has given a capital commitment of ₹ 15,000,000 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 ₹ Nil (Previous year ₹ 8,36,658) and balance commitment of ₹ Nil/- (Previous year ₹ Nil) is outstanding as on 31st March, 2016.

The Company has given a capital commitment of ₹ 150,00,000 to Reliance alternative investment fund private equity scheme I. In respect of this, the company has fulfilled its 100% contribution i.e. an amount of ₹ 1,50,00,000/- (Previous year ₹ 1,50,00,000)."

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) is Nil (Previous Year : ₹ 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 single segment i.e. Advising and managing real estate funds, hence there are no separate reportable segment as required under Accounting Standard – 17.

Note 31 :

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

For Aneel Lasod and Associates

Chartered Accountants

Aneel Lasod

Partner

M No: 40117

Place : Mumbai

Dated : 22nd April, 2016

For and on behalf of the Board of
Motilal Oswal Investment Advisors Private. Ltd

Motilal Oswal

Director

Raamdeo Agarawal

Director

Motilal Oswal Insurance Brokers Private Limited

Annual Report 2015-2016

BOARD'S REPORT

To the Members,

Your Directors have pleasure in presenting their 9th Annual Report together with the audited Financial Statement of your Company for the year ended 31st March, 2016.

Financial Highlights

A summary of the financial performance of the Company for the financial year ended on 31st March, 2016 is given below:

Amount (₹)

Particulars	Financial Year Ended 31st March, 2016	Financial Year Ended 31st March, 2015
Gross Revenue	28,468,761	4,161,203
Profit before Interest, Depreciation & Tax	18,647,503	(8,115,055)
Interest	499,917	293,573
Depreciation	129,645	155,612
Profit / (Loss) before Taxation and exceptional item	18,017,941	(8,564,240)
Less: Provision for Taxation		
Current Tax	3,303,480	—
Deferred Tax	5,653,675	(2,640,473)
Tax for earlier year(s)	—	—
MAT Credit Entitlement	(3,303,480)	—
Profit / (Loss) for the year	12,364,266	(5,923,767)
Balance Profit / (Loss) brought Forward	(18,518,401)	(12,594,635)
Less: Transfer to General Reserve	—	—
Less: Transitional Depreciation	—	—
Balance Profit / (Loss) carried Forward	(6,154,134)	(18,518,401)

Review of Operations and Future Outlook

During the year under review, the total revenue increased from ₹ 4.16 millions to ₹ 28.47 millions. The brokerage income increased from ₹ 3.52 millions to ₹ 27.78 millions and Personnel costs reduced from ₹ 9.84 millions to ₹ 7.43 millions. Administration and other operating expenses decreased from ₹ 2.44 millions to ₹ 2.39 millions. At PAT level, the profit was ₹ 12.36 millions as compared to loss of ₹ 5.92 millions last year.

Dividend and Reserves

Your Directors have not recommended payment of dividend for the Financial Year 2015-16 with a view to conserve the resources of the Company for the expansion of the operations of the Company.

During the year under review, the Company did not transfer any amount to Reserves.

Share Capital

The issued and paid-up share capital of the Company as on 31st March, 2016 is ₹ 30,000,000/- divided into 30,00,000 Equity Shares of ₹ 10/- each.

Deposits and Loans / Advances

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

During the year under review, the Company has not taken any loans / advances from its Holding Company, Motilal Oswal Financial Services Limited.

Subsidiaries / Joint Ventures / Associate Companies

The Company does not have any Subsidiary Companies, Joint Ventures and Associate Companies as on 31st March, 2016.

Directors and Key Managerial Personnel

During the year, Mr. Harsh Joshi was appointed as the Non-Executive Director of the Company w.e.f. 24th November, 2015 in the Extra Ordinary General Meeting held on 24th November, 2015.

Mr. Raamdeo Agarawal, Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

Number of Board Meetings

The Board meets at regular intervals to discuss and decide on the Company / business policy and strategy apart from other Board businesses. During the year under review, six Board Meetings were held and the interval between any two meetings was not more than 120 days. The status of attendance of Directors at the Board Meetings is as follows:

Name of the Director	Designation	Director Identification Number (DIN)	Meetings attended in Financial Year
Motilal Oswal	Director	00024503	6
Raamdeo Agarawal	Director	00024533	6
Harsh Joshi (appointed w.e.f. 24.11.2015)	Director	02951058	1
Total meetings held and attended during the year			6

Business Risk Management

The organization realizes the importance of Enterprise Risk Management (ERM) framework and had taken early initiatives towards its implementation of business risk management policy. The organization has introduced several improvements to the business risk management policy.

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

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

Internal Financial Controls

The Company has in place adequate Internal Financial Control systems with reference to financial statements. During the year under review, no material or serious observation has been received from the Auditors of the Company for inefficiency or inadequacy of such controls.

Loans, Guarantees and Investments

During the year under review, there were no loans, guarantees and investments made by the Company.

Related Party Transactions

All related party transactions that were entered into during the financial year were at arm's length basis and in the ordinary course of business.

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

Statutory Auditors

Your Company had appointed M/s. Aneel Lasod & Co., as Statutory Auditors for the term of five years at the Annual General Meeting held on 30th September, 2014. In compliance with provisions of Section 139 of the Companies Act, 2013, the appointment of the auditors is to be ratified by the members at every Annual General Meeting. M/s Aneel Lasod & Co., Chartered Accountant (ICAI Firm Registration No. 124609W) have given their consent for re-appointment. The members are requested to ratify the appointment of Auditors and fix their remuneration.

BOARD'S REPORT *(Contd..)*

There were no qualifications, reservations, adverse remarks or disclaimers in the report of Statutory Auditors of the Company nor any frauds were reported by the auditor under Section 143 (12) of the Companies Act, 2013.

Particulars of Employees as required under section 197 of the Companies Act, 2013 and rules framed there under

The Company had no employee who was in receipt of remuneration of not less than ₹ 60,00,000 during the year ended 31st March, 2016 or not less than ₹ 5,00,000 per month during any part of the said year.

Change of Situation of Registered Office of the Company within city limits

During the financial year 2015-16, your Company has shifted its registered office for operational convenience from Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad-West, Mumbai - 400064 to Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai - 400025 with effect from 15th March, 2016.

Directors' Responsibility Statement

Pursuant to section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the Profit of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis; and
- (v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and the systems were adequate and operating effectively.

Extract of Annual Return

The Extract of Annual Return in Form MGT-9 under Section 92(3) and Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed herewith to this report as "Annexure 2".

Significant and Material Orders

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

Policy on Prevention of Sexual Harassment of Women at Workplace

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company is committed to provide an environment, which is free of discrimination, intimidation and abuse. The Company believes that it is the responsibility of the organisation to protect the integrity and dignity of its women employees and also to avoid conflicts and disruptions in the work environment due to such cases. The Company has put in place a 'Policy against Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy, any women employee may report her complaint to the Redressal Committee formed for this purpose. We affirm that adequate access was provided to any complainant who wish to register a complaint under the policy. There were no complaints received by the Company, during the FY 2015-16.

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

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

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

Mandatory disclosures in the Boards' Report

Following mandatory disclosures in the Boards' Report pursuant to the provisions of the Companies Act, 2013 are not applicable to the Company:

- Section 134(3)(d) - A statement on declaration given by independent directors under sub-section (7) of section 149;
- Section 134(3)(e) - As per sub-section (1) of section 178, policies on appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178;
- Section 134(3)(f) - Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made by the Company secretary in practice in his secretarial audit report;
- Section 134(3)(l) - Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statement relate and the date of the report;
- Section 135 - Corporate Social Responsibility;
- Section 177 - Audit Committee;
- Section 177(9) - Establishment of Vigil Mechanism;
- Section 178 - Nomination And Remuneration Committee and stakeholders Relationship Committee;
- Section 203 - Appointment of Key Managerial Personnel;
- Section 204 - Secretarial Audit;
- Performance Evaluation of the Board of Directors;

Acknowledgments

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

For and on behalf of the Board of
Motilal Oswal Insurance Brokers Private Limited

Place : Mumbai
Date : 22nd April, 2016.

Motilal Oswal
Chairman
(DIN : 00024503)

ANNEXURE 1 TO THE BOARD'S REPORT

Form No. AOC-2

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

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

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

NOT APPLICABLE

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

(Amount in ₹)

Sr. No.	Name of the Related Party	Nature of the relationship	Nature of Contract	Duration of Contract	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any
1	Motilal Oswal Financial Services Limited	Holding Company	Leasing of Property	On-going	Rent paid by Motilal Oswal Insurance Brokers Private Limited to Motilal Oswal Financial Services Limited	Nil

*Definition of materiality has been adopted from Regulation 23 of the Listing Regulations, 2015 which states as follows : transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statement of the Company.

Since the Company does not have any subsidiary Company, materiality is decided based on transactions exceeding 10% of the standalone turnover as per the last audited financial statement of the Company.

For and on behalf of the Board of
Motilal Oswal Insurance Brokers Private Limited

Place : Mumbai

Date : 22nd April, 2016.

Motilal Oswal
Chairman
(DIN : 00024503)

ANNEXURE 2 TO THE BOARD'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2016

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

I. Registration and Other Details:

i) CIN	U74999MH2007PTC170211
ii) Registration Date	23rd April, 2007
iii) Name of the Company	Motilal Oswal Insurance Brokers Private Limited
iv) Category / Sub Category of the Company	Public Limited Company
v) Address of the Registered Office and contact details	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025. Tel. No. +91 22 3980 4200
vi) Whether Shares Listed On Recognized Stock Exchange(s)	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	–

II. Principal Business Activities of the Company

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1	Brokerage Income	66220	97.61%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Motilal Oswal Financial Services Limited (MOFSL)	L67190MH2005PLC153397	Holding	100	2(46)

Note:

Passionate Investment Management Private Limited is the Ultimate holding Company and holds 54.01% shares in Motilal Oswal Financial Services Limited (MOFSL)

There are no Subsidiary and Associate Companies of the Company as on 31st March, 2016.

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Bodies Corp	–	29,90,000	29,90,000	99.67	–	30,00,000	30,00,000	100	0.33
Sub-total (A) (1)	–	29,90,000	29,90,000	99.67	–	30,00,000	30,00,000	100	0.33

ANNEXURE 2 TO THE BOARD'S REPORT

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	29,90,000	29,90,000	99.67	-	30,00,000	30,00,000	100	0.33
B. Public Shareholding									
1. Institutions									-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions									-
Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	10,000	10,000	0.33	-	-	-	-	-
Sub-total (B)(2)	-	10,000	10,000	0.33	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	10,000	10,000	0.33	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	-	30,00,000	30,00,000	100	-	30,00,000	30,00,000	100	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	No. of shares	% of the total shares of the company	% of the shares pledged/ encumbered to total shares	% change in shareholding during the year
1	Motilal Oswal Financial Services Ltd.	29,90,000	99.67	-	29,90,000	99.67	-	-
2	Motilal Oswal Financial Services Ltd. Jointly with Motilal Oswal	-	-	-	5,000	0.17	-	0.17
3	Motilal Oswal Financial Services Ltd. Jointly with Raamdeo Agarawal	-	-	-	5,000	0.16	-	0.16
	Total	29,90,000	99.67	-	30,00,000	100	-	0.33

iii) Change in Promoters' Shareholding

Sr. No.	Shareholder's Name	Shareholding at the beginning / end of the year		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Motilal Oswal Financial Services Ltd.	29,90,000	99.67	01-04-2015	-	-	-	-
		29,90,000	99.67	31-03-2016	-	-	-	-
2	Motilal Oswal Financial Services Ltd. Jointly with Motilal Oswal	-	-	01-04-2015	-	-	-	-
		5,000	0.17	07-08-2015	5,000	Transfer	5,000	0.17
3	Motilal Oswal Financial Services Ltd. Jointly with Raamdeo Agarawal	-	-	01-04-2015	-	-	-	-
		5,000	0.16	31-03-2016	-	-	-	-

ANNEXURE 2 TO THE BOARD'S REPORT

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

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the Beginning of the year		Shareholding at the End of the year		Cumulative Shareholding During the year	
		No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
NIL							

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the Beginning / end of the year		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of shares	% of total Shares of the company
1.	Mr. Motilal Oswal	5,000	0.17	01-04-2015				
				07-08-2015	(5,000)	Transfer	-	-
		-	-	31-05-2016				
2.	Mr. Raamdeo Agarawal	5,000	0.16	01-04-2015				
				07-08-2015	(5,000)	Transfer	-	-
		-	-	31-05-2016				

V. Indebtedness

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

Amount (₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	4,757,540	-	4,757,540
ii) Interest due but not paid	-	53,250	-	53,250
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	4,810,790	-	4,810,790
Change in Indebtedness during the financial year				-
• Addition	-	4,760,629	-	4,760,629
• Reduction	-	9,571,419	-	9,571,419
Net Change	-	4,810,790	-	4,810,790
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	(35,231)	-	(35,231)
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	(35,231)	-	(35,231)

ANNEXURE 2 TO THE BOARD'S REPORT

VI. Remuneration of Directors And Key Managerial Personnel

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

Amount (₹)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	–
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–	–
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	–	–
2	Stock Option	–	–
3	Sweat Equity	–	–
4	Commission as % of profit	–	–
5	Others, please specify Variable Incentives	–	–
	Total (A)	–	–
	Ceiling as per the Act *5% of the net profit calculated as per Section 198		–

B. Remuneration to other directors:

Amount (₹)

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors		
	• Fee for attending board / committee meetings	–	–
	• Commission	–	–
	• Others, please specify	–	–
	Total (1)	–	–
2.	Other Non-Executive Directors		
	• Fee for attending board / committee meetings	–	–
	• Commission	–	–
	• Others, please specify	–	–
	Total	–	–

C. Remuneration to key managerial personnel other than MD / Manager / WTD:

Amount (₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	–	–	–
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–	–	–	–
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	–	–	–	–

ANNEXURE 2 TO THE BOARD'S REPORT

VII. Penalties / Punishment / Compounding of Offences:

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

For and on behalf of the Board of
Motilal Oswal Insurance Brokers Private Limited

Place : Mumbai
Date : 22nd April, 2016.

Motilal Oswal
Chairman
(DIN : 00024503)

INDEPENDENT AUDITORS' REPORT

The MEMBERS of **MOTILAL OSWAL INSURANCE BROKERS PRIVATE LIMITED.**

Report on the Financial Statements:

We have audited the accompanying financial statements of MOTILAL OSWAL INSURANCE BROKERS PRIVATE LIMITED ("the Company"), which comprises the Balance Sheet as at 31st March 2016, the statement of Profit and Loss and the Cash Flow Statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

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

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. 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 statements are free from material misstatement.

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

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2016; and
- (ii) In the case of the statement of Profit and Loss, of the Loss for the year ended on that date;
- (iii) In the case of the Cash Flow Statement, of the 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"), as amended, issued by the Central Government of India in terms of sub-section (1) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have 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 our examination of those books;
 - (c) The company's balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns;
 - (d) In our opinion, the financial statements comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

- (e) On the basis of written representations received from the directors as on 31st March 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
- (f) The company has adequate internal financial controls system in place and is operating effectively
- (g) The company does not have any pending litigations as at 31st March 2016 which would impact its financial position.
- (h) The company did not have any Long Term Contracts including derivative contracts for which there were any material foreseeable losses.

For **Aneel Lasod And Associates**

Chartered Accountants

Firm Registration No.:- 124609W

Aneel Lasod

(Partner)

M.No.:-040117

Place: Mumbai

Date: 22nd April, 2016

INDEPENDENT AUDITORS' REPORT *(Contd..)*

ANNEXURE TO AUDITORS' REPORT:

Annexure referred to in our report to the members of MOTILAL OSWAL INSURANCE BROKERS PRIVATE LIMITED for the year ended March 31, 2016. 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. 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 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, 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.

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.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

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 188 and Section 177 of the Companies Act, 2013 wherever applicable the details have been disclosed in the Financial Statements etc as required by accounting standard.

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: 22nd April, 2016

INDEPENDENT AUDITORS' REPORT *(Contd..)*

The MEMBERS of MOTILAL OSWAL INSURANCE 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 INSURANCE BROKERS PRIVATE LIMITED ("the Company") as of 31st March 2016 in conjunction with our audit of the standalone financial statements 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 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 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 The Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the internal financial controls are free from material misstatement.

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 judgement including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure 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 unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting;

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, 2016, based on the essential components of internal control stated in the guidance notes issued by ICAI.

For Aneel Lasod And Associates

Chartered Accountants

Firm Registration No.:- 124609W

Aneel Lasod

(Partner)

M.No.:-040117

Place: Mumbai

Date: 22nd April, 2016

BALANCE SHEET

Balance Sheet as at March 31, 2016

	Note No.	As on 31-Mar-16 (In ₹)	As on 31-Mar-15 (In ₹)
I EQUITY AND LIABILITIES			
Share Holder's Funds :			
Share Capital	1	30,000,000	30,000,000
Reserve & Surplus	2	(6,154,134)	(18,518,401)
Non Current Liabilities			
Long term provisions	3	106,719	66,689
Current Liabilities			
Short term borrowings	4	(33,736)	4,810,790
Other curent liabilities	5	112,758	(357,255)
Short term provisions	6	1,096,534	1,243,606
TOTAL		25,128,141	17,245,429
II. ASSETS			
(1) Non/ Current Assets			
a. Fixed assets			
(i) Tangible assets	7	66,941	196,586
Deferred tax assets (net)	8	2,947,700	8,601,375
Long term loans & advances	9	1,358	5,330
Other non current assets	10	7,413,719	6,843,976
(2) Current Assets			
Trade receivables	11	3,357,422	–
Cash & cash equivalents	12	7,673,877	121,324
Short term loans & advances	13	3,667,124	1,476,838
TOTAL		25,128,141	17,245,429

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 : 22nd April, 2016

For and on behalf of the Board of
For Motilal Oswal Insurance Brokers Private Ltd

Motilal Oswal

Chairman & 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, 2016

	Note No.	For the Year ended 31-Mar-16 (In ₹)	For the Year ended 31-Mar-15 (In ₹)
INCOME :			
Revenue from operations	14	27,787,165	3,521,986
Other Income	15	681,596	639,217
Total Revenue		28,468,761	4,161,203
EXPENSES :			
Employee benefits expense	16	7,432,675	9,840,267
Finance costs	17	499,917	293,573
Depreciation and amortization expense	7	129,645	155,612
Other expenses	18	2,388,583	2,435,991
Total expenses		10,450,820	12,725,443
Loss before exceptional and extraordinary items and tax		18,017,941	(8,564,240)
Exceptional items		–	–
Profit before extraordinary items and tax (V - VI)		18,017,941	(8,564,240)
Extraordinary Items		–	–
Profit/ (Loss) before tax		18,017,941	(8,564,240)
Tax expense:			
Current tax		3,303,480	–
MAT Credit Entitlement		(3,303,480)	–
Deferred tax		5,653,675	(2,640,473)
Profit/ (Loss) after tax		12,364,267	(5,923,767)
Earnings per equity share:			
(1) Basic		4.12	(2.49)
(2) Diluted		4.12	(2.49)

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

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 : 22nd April, 2016

For and on behalf of the Board of
For Motilal Oswal Insurance Brokers Private Ltd

Motilal Oswal

Chairman & Director

DIN No. 00024503

Raamdeo Agarawal

Director

DIN No. 00024533

CASH FLOW STATEMENT

Cash flow statement as of 31st March, 2016

Particulars	For the Year ended 31-Mar-16 (In ₹)	For the Year ended 31-Mar-15 (In ₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	18,017,941	(8,564,240)
Adjustment for		
Interest paid	499,917	293,573
Interest Received	(681,596)	(579,941)
Dividend Income	–	(58,714)
Depreciation	129,645	155,612
Profit on sale of Investment	–	(563)
Adjustment for working capital changes		
Increase/(Decrease) other long term provision	40,030	35,340
Increase/(Decrease) Other Current Liabilities	470,013	(874,810)
Increase/(Decrease) Short-term Provision	(147,072)	1,118,900
(Increase)/Decrease In Short-term Loans & Advances	(2,190,285)	(952,911)
(Increase)/Decrease In trade receivables	(3,357,421)	119,696
(Increase)/Decrease In long term loans & advances	3,972	672
(Increase)/Decrease In Other Current Assets		
CASH USED IN OPERATIONS	12,785,143	(9,307,386)
Taxes Paid (Net of Refunds)	–	–
NET CASH FROM OPERATING ACTIVITIES	12,785,143	(9,307,386)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible assets	–	(324,876)
Interest Received on Fixed Deposits	681,596	99,389
Profit on sale of mutual fund	–	563
Dividend Income	–	58,714
Investment in FD	(569,742)	–
NET CASH FLOW FROM INVESTING ACTIVITIES	111,854	(166,211)

CASH FLOW STATEMENT (Contd..)

Particulars	For the Year ended 31-Mar-16 (In ₹)	For the Year ended 31-Mar-15 (In ₹)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in share capital	–	–
Increase/(Decrease) Short-term Borrowings	(4,844,526)	4,810,790
Interest paid	(499,917)	(293,573)
NET CASH FLOW FROM FINANCING ACTIVITIES	(5,344,443)	4,517,217
NET CASH FLOW FOR THE YEAR ENDED	7,552,555	(4,956,380)
Cash & Cash Equivalents as at beginning of period :		
Cash & Cash Equivalents comprise of		
Scheduled Bank - In Current Account	121,324	77,702
Fixed Deposit with Banks	–	5,000,000
Total Cash & Cash Equivalents as at beginning of the year	121,324	5,077,702
Cash & Cash Equivalents as at end of period :		
Cash & Cash Equivalents as at end of the year		
Cash on hand	–	–
Scheduled Bank - In Current Account	7,673,877	121,324
Fixed Deposit with Banks	–	–
Total Cash & Cash Equivalents as at end of the year	7,673,877	121,324

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 : 22nd April, 2016

For and on behalf of the Board of
For Motilal Oswal Insurance Brokers Private Ltd

Motilal Oswal

Chairman & Director

DIN No. 00024503

Raamdeo Agarawal

Director

DIN No. 00024533

NOTES TO FINANCIAL STATEMENT

Note 1 : Share Capital

	As at 31-Mar-16		As at 31-Mar-15	
	In Numbers	In ₹	In Numbers	In ₹
Authorised :				
Equity Shares of ₹10/- Each	5,000,000	50,000,000	5,000,000	50,000,000
Issued, Subscribed and Paid Up :				
Equity Shares of ₹10/- Each	3,000,000	30,000,000	3,000,000	30,000,000
TOTAL	3,000,000	30,000,000	3,000,000	30,000,000

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-16 No. of shares	As at 31-Mar-15 No. of shares
Number of shares at the beginning	3,000,000	1,000,000
Add: Shares issued during the year	—	2,000,000
Number of shares at the end	3,000,000	3,000,000

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

Share Holders	As at 31-Mar-16		As at 31-Mar-15	
	No of Shares	% of Holding	No of Shares	% of Holding
Motilal Oswal Financial Services Limited	3,000,000	99.67	2,990,000	99.67

Note 2: Reserves and Surplus

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Surplus/(Deficit)		
Opening balance	(18,518,401)	(12,594,635)
(+) Net Profit/(Net Loss) For the current year	12,364,267	(5,923,767)
Closing Balance	(6,154,134)	(18,518,401)

Note 3 : Long Term Provisions

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Others		
Gratuity obligation - unamortised amount relating to plan amendment (LT)	106,719	66,689
Total	106,719	66,689

NOTES TO FINANCIAL STATEMENT

Note 4 : Short Term Borrowings

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
(unsecured, considered good)		
Loans repayable on demand		
– from holding company (Motilal Oswal Financial Services Pvt Ltd)	(33,736)	4,810,790
Total	(33,736)	4,810,790

Note 5 : Other Current Liabilities

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Advance received from customers	–	(561,670)
Withholding and other taxes payable	47,155	62,794
Creditors for Expenses	65,604	141,621
Total	112,758	(357,255)

Note 6 : Short Term Provisions

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Provision for Employee Benefits		
Gratuity obligation - unamortised amount relating to plan amendment (refer to note 19)	55,336	27,590
Employees Contribution to PF	9,742	9,058
Incentives Payable	279,723	–
Provision for Ex Gratia	585,210	1,060,576
Leave encashment	144,141	146,382
Provision for Expenses	22,382	–
Total	1,096,534	1,243,606

Note 7 : Fixed Assets

(in ₹)

PARTICULARS	GROSS BLOCK				DEPRICIATION				NET BLOCK		
	As At 1-Apr-15	Additions	Deduction	As At 1-Apr-16	As At 1-Apr-15	Additions	Deduction	As At 1-Apr-16	As At 1-Apr-16	As At 1-Apr-15	
Tangible Assets											
Computer	357,876		–	357,876	161,290	129,645	–	290,935	66,941	196,586	
Total	357,876	–	–	357,876	161,290	129,645	–	290,935	66,941	196,586	

NOTES TO FINANCIAL STATEMENT

Note 8 : Deferred Taxes (Net)

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Deferred tax assets		
Provision for gratuity	50,075	(29,132)
Carry forward losses	2,896,822	(8,579,267)
WDV of Fixed assets	803	7,025
	<u>2,947,700</u>	<u>(8,601,374)</u>
Restricted to ₹	<u>2,947,700</u>	<u>(8,601,374)</u>

Note 9 : Long Term Loans & Advances

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Prepaid Expenses(LT)	1,358	5,330
Total	<u>1,358</u>	<u>5,330</u>

Note 10 : Other Non Current Assets

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Other Bank Balance (Lien marked to IRDA) (FD having maturity period more than 12 months)	6,000,000	6,000,000
Accrued Interest on FDR	1,413,719	843,976
Total	<u>7,413,719</u>	<u>6,843,976</u>

Note 11 : Trade Receivables

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Sundry Receivable	3,357,422	-
Total	<u>3,357,422</u>	<u>-</u>

Note 12 : Cash And Cash Equivalents

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Balances with banks		
In Current Account	7,673,877	121,324
Fixed Deposit with Banks	-	-
Total	<u>7,673,877</u>	<u>121,324</u>

NOTES TO FINANCIAL STATEMENT

Note 13 : Short Term Loans And Advances

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Loans and advances		
– Other taxes receivable	2,994,042	842,371
– Prepaid Expenses	41,208	64,688
– Other advances	66,374	4,279
– Deposit Rent	565,500	565,500
Total	3,667,124	1,476,838

Note 14 : Revenue from operations

	For the Year Ended 31-Mar-16 In ₹	For the Year Ended 31-Mar-15 In ₹
Brokerage Income	27,787,165	3,521,986
Total	27,787,165	3,521,986

Note 15 : Other Income

	For the Year Ended 31-Mar-16 In ₹	For the Year Ended 31-Mar-15 In ₹
Dividend on Mutual Fund	–	58,714
Profit on sale of Investment	–	563
Interest	681,596	579,941
Total	681,596	639,217

Note 16 : Employee Benefits Expense

	For the Year Ended 31-Mar-16 In ₹	For the Year Ended 31-Mar-15 In ₹
Salary, Bonus and Allowances	7,214,769	9,609,782
Contribution to Provident and other Fund	117,052	116,119
Gratuity	67,776	84,892
Staff welfare expenses	33,078	29,474
Total	7,432,675	9,840,267

NOTES TO FINANCIAL STATEMENT

Note 17 : Finance cost

	For the Year Ended 31-Mar-16 In ₹	For the Year Ended 31-Mar-15 In ₹
Interest expense	499,917	293,573
Total	499,917	293,573

Note 18 : Other Expenses

	For the Year Ended 31-Mar-16 In ₹	For the Year Ended 31-Mar-15 In ₹
Distribution cost	–	–
Rates & Taxes	7,213	9,404
Rent	1,132,884	1,131,000
Insurance	122,992	138,868
Auditors Remuneration	114,500	15,500
Legal & Professional Fees	89,865	130,526
Communication Expenses	117,866	166,156
Travelling Expenses	517,126	478,879
Entertainment Expenses	155,100	119,919
Registration & filling fees	27,194	115
Miscellaneous Expenses	103,843	245,624
Total	2,388,583	2,435,991

Note 19 : Background

Motilal Oswal Insurance Brokers Private Limited was incorporated on April 23, 2007. The principal shareholder of the Company as at March 31, 2016 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.

Note 20 : Significant Accounting Policies:

a) Basis of preparation of financial statements:

The financial statements of the Company are prepared under the historical cost convention, on the accrual basis of accounting and comply in all material respects with the generally accepted accounting principles in India, the applicable accounting standards notified under Section 133 of the Companies Act, 2013 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 statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements

NOTES TO FINANCIAL STATEMENT

are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any differences of actual results to such estimates are recognized in the 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.

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

NOTES TO FINANCIAL STATEMENT

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

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

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the 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 21 : Auditors' Remuneration :

	For the Year Ended 31-Mar-16 In ₹	For the Year Ended 31-Mar-15 In ₹
As Auditors:		
Audit fees	25,000	9,500
In any other capacity, in respect of:		
Other Services	89,500	6,000
Service Tax	—	1,916
TOTAL	114,500	17,416

Note 22 : Basic & Diluted Earnings per share :

	For the Year Ended 31-Mar-16 In ₹	For the Year Ended 31-Mar-15 In ₹
Net Profit / (Loss) attributable to equity shareholders [A] (₹)	12,364,267	(5,923,767)
Weighted Average Number of equity shares issued [B] (₹)	3,000,000	3,000,000
Basic & Diluted Earnings per share (EPS)[A/B] (₹)	4.12	(1.97)

NOTES TO FINANCIAL STATEMENT

Note 23 : 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 Ltd.
2. Motilal Oswal Commodities Broker Private Limited
3. Motilal Oswal Investment Advisors Private Limited
4. Motilal Oswal Private Equity Advisors Private Limited
5. Motilal Oswal Wealth Management Limited
6. Motilal Oswal Capital Markets Private Limited
7. Motilal Oswal Asset Management Co. Ltd.
8. Motilal Oswal Trustee Co. Ltd.
9. Motilal Oswal Securities International Pvt. Ltd.
10. Motilal Oswal Capital Markets (Hongkong) Pvt. Ltd.
11. Motilal Oswal Capital Markets (Singapore) Pte. Limited
12. Aspire Home Finance Corporation Ltd
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. Ltd
17. Nagori Agro & Cattle Feeds Private Limited
18. VISU Associates - Partnership firm
19. OSAG Enterprises LLP

D) Key management personnel

- Motilal Oswal - Chairman & Director
- Raamdeo Agrawal- Director
- Harsh Joshi- Director

E) Enterprises in which key management personnel exercise significant Influence

- Motilal Oswal Foundation

(ii) Transactions with related parties for the year ended 31st March, 2016 :

Transaction	Name of the related Party	Holding Company		Total	
		2015-2016	2014-2015	2015-2016	2014-2015
Interest Expense	Motilal Oswal Financial Services Ltd	499,917	293,573	499,917	293,573
Rent Expense	Motilal Oswal Financial Services Ltd	1,131,000	1,131,000	1,131,000	1,131,000
Loans taken (Maximum balance)	Motilal Oswal Financial Services Ltd	9,155,732	5,802,340	9,155,732	5,802,340
Outstanding Balances:					
Loans Given / (Taken)	Motilal Oswal Financial Services Ltd	(33,736)	(4,810,790)	(33,736)	(4,810,790)
Rent Deposit Given / (Taken)	Motilal Oswal Financial Services Ltd	565,500	565,500	565,500	565,500

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

NOTES TO FINANCIAL STATEMENT

Note 24 :

- A) 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.
- B) The Company has unabsorbed business loss of ₹ 93,74,828/- (P.Y. ₹ 2,77,64,619/-) on which it has recognized Deferred Tax Assets (DTA) of ₹ 28,96,822/- (P.Y. ₹ 85,79,267/-). Such recognition of DTA is created on the basis of profits / revenue which is going to be generated in future. Profit generated from such agreement will be able to recoup the entire amount of existing unabsorbed losses

Note 25 :

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-16	31-Mar-15
I Assumptions as at		
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest / Discount Rate	7.49%	7.77%
Rate of increase in compensation	7.00%	3.00%
Rate of return (expected) on plan assets		
Employee Attrition Rate(Past Service (PS))	PS: 0 to 37 : 33.83%	PS: 0 to 37 : 24.67%
Expected average remaining service	1.79	2.83
II Changes in present value of obligations		
PVO at beginning of period	94,279	45,445
Interest cost	7,325	2,399
Current Service Cost	65,953	39,773
Past Service Cost- (non vested benefits)	–	–
Past Service Cost -(vested benefits)	–	–
Benefits Paid	–	-36058
Actuarial (Gain)/Loss on obligation	(5,502)	42,720
PVO at end of period	162,055	94,279
III Changes in fair value of plan assets		
Fair Value of Plan Assets at beginning of period	–	–
Expected Return on Plan Assets	–	–
Contributions	–	36058
Benefit Paid	–	-36058
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	0	–
Actual Return on Plan Assets	0	–
Contributions	0	36058
Benefit Paid	–	-36058
Fair Value of Plan Assets at end of period	0	–
Funded Status (including unrecognised past service cost)	(162,055)	(94,279)
Excess of actual over estimated return on Plan Assets	–	–

NOTES TO FINANCIAL STATEMENT

	31-Mar-16	31-Mar-15
V Experience History	31-Mar-16	31-Mar-15
(Gain)/Loss on obligation due to change in Assumption	(220)	(12,167)
Experience (Gain)/ Loss on obligation	(5,282)	54,887
Actuarial Gain/(Loss) on plan assets	0	-
VI Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the period (Obligation)	5,502	(42,720)
Actuarial Gain/(Loss) for the period (Plan Assets)	-	-
Total Gain/(Loss) for the period	5,502	(42,720)
Actuarial Gain/(Loss) recognized for the period	5,502	(42,720)
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	162,055	94,279
Fair Value of Plan Assets at end of period	0	-
Funded Status	(162,055)	(94,279)
Unrecognized Actuarial Gain/(Loss)	0	-
Unrecognised Past Service Cost- non vested benefits	0	-
Net Asset/(Liability) recognized in the balance sheet	(162,055)	(94,279)
IX Expense recognized in the statement of P & LAIC		
Current Service Cost	65,953	39,773
Interest cost	7,325	2,399
Past Service Cost- (non vested benefits)	0	-
past Service Cost "(vested benefits)	0	-
Unrecognised Past Service Cost- non vested benefits	0	-
Expected Return on Plan Assets	0	-
Net Actuarial (Gain)/Loss recognized for the period	(5,502)	42,720
Expense recognized in the statement of P & L AIC	67,776	84,892
X Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	94,279	45,445
Expenses as above	67,776	84,892
Contribution paid	0	(36,058)
Closing Net Liability	162,055	94,279
XI Revised Schedule VI		
Current Liability	55336	27590
Non-Current Liability	106719	66689

NOTES TO FINANCIAL STATEMENT

Note 26 : Provisions made for the Year ended 31st March, 2016 comprises of:

Particulars	Opening balance	Provided during the year ended 31.03.16	Provision Paid /reversed during the year ended 31.03.16	Closing balance as of 31.03.16
Ex-gratia	1,060,576	585,210	1,060,576	585,210
Gratuity	94,279	67,776	0	162,055

Particulars	Opening balance	Provided during the year ended 31.03.15	Provision Paid /reversed during the year ended 31.03.15	Closing balance as of 31.03.15
Ex-gratia	88,747	1,060,576	88,747	1,060,576
Gratuity	45,445	84,892	(36,058)	94,279

Note 27 :

Previous year figures have been regrouped/rearranged where necessary to make them comparable

For Aneel Lasod and Associates

Chartered Accountants

Firm Registration No. 124609W

Aneel Lasod

Partner

M No: 40117

Place : Mumbai

Dated : 22nd April, 2016

For and on behalf of the Board of
For Motilal Oswal Insurance Brokers Private Ltd

Motilal Oswal

Chairman & Director

DIN No. 00024503

Raamdeo Agarawal

Director

DIN No. 00024533

Motilal Oswal Commodities Broker Private Limited

Annual Report 2015-2016

BOARD'S REPORT

To the Members,

Your Directors have pleasure in presenting their 25th Annual Report together with the audited Financial Statement of your Company for the year ended 31st March, 2016.

Financial Highlights

A summary of the financial performance of the Company for the financial year ended on 31st March, 2016 is given below:

Amount (₹)

Particulars	Financial Year Ended 31st March, 2016	Financial Year Ended 31st March, 2015
Revenue	111,053,000	91,401,449
Profit before Interest, Depreciation & Tax	(716,971)	(29,673,695)
Interest Paid	7,122,776	3,388,123
Depreciation	5,925,339	2,260,082
Profit / (Loss) before Taxation and exceptional item	(13,765,086)	(35,321,900)
Less: Provision for Taxation		
Current Tax	1,980,217	224,397
Deferred Tax	(5,693,027)	(9,996,293)
Tax for earlier year(s)	–	(2,805,965)
Profit / (Loss) for the year	(10,052,276)	(22,744,039)
Balance Profit / (Loss) brought Forward	158,297,661	181,121,536
Less: Transfer to General Reserve	–	–
Less: Transitional Depreciation	–	(79,836)
Balance Profit / (Loss) carried Forward	148,245,386	158,297,661

Review of Operations and Future Outlook

In the overall commodity markets, the markets Average Daily Turnover (ADTO) across the exchanges was ₹ 3108.83 billion in FY2016, registering a growth of 9% on a YoY basis.

In terms of our performance, our own ADTO was up 52% on a YoY basis. Resultantly, our market share improved this year.

However, the company's total revenues were ₹ 111.05 million in FY2016, Increase 21.50% on a YoY basis. This decline is largely due to drying up on brokerage income as well the impact of good market condition in FY2016. Brokerage and commission income were ₹ 91.94 million representing increase from ₹ 16.95 million last year. The number of trading days declined from 310 to 252 during the year, while average yields also shrank slightly. Arbitrage income declined to ₹ (0.064) million from ₹ 0.31 million last year, as arbitrage opportunities dried up in the market. Personnel expenses were ₹ 37.33 million during this year, up by 5.63% on a YoY basis, owing to higher salary payouts. Administration and other operating expenses were ₹ 74.44 million, decline by 16.71% YoY, owing to lower provisions on VAT (Provision of VAT 14.63 million in FY2016 as compared to ₹ 34.93 million in FY 2015 declined 58.11% on a YoY basis).

In terms of PAT, we reported a loss of ₹ 10.05 million in FY2016, as compared to a loss of ₹ 22.74 million last year.

Dividend and Reserves

Your Directors have not recommended payment of dividend for the Financial Year 2015-16 with a view to conserve the resources of the Company for the expansion of the operations of the Company.

During the year under review, the Company did not transfer any amount to Reserves.

Share Capital

The issued and paid-up share capital of the Company as on 31st March, 2016 is ₹ 4,100,440/- divided into 410,044 Equity Shares of ₹ 10/- each.

Deposits and Loans / Advances

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

The Company has not made any loans / advances which is required to be disclosed in the annual accounts of the Company pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Subsidiaries / Joint Ventures / Associate Companies

The Company does not have any Subsidiary Companies, Joint Ventures and Associate Companies as on 31st March, 2016.

Directors

During the year, there was no appointment or resignation of Directors(s).

Mr. Rajesh Dharamshi, Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible has offered himself for re-appointment.

Number of Board Meetings

The Board meets at regular intervals to discuss and decide on the Company / business policy and strategy apart from other Board business. During the year under review, four Board Meetings were held and the interval between any two meetings was not more than 120 days. The status of attendance of Directors at these Board Meetings are as follows:

Name of the Director	Designation	Director Identification Number (DIN)	Meetings attended in Financial Year
Mr. Ajay Menon	Director	00024589	4
Mr. Rajesh Dharamshi	Director	01415232	4
Total meetings held during the year			4

Constitution of Corporate Social Responsibility Committee (CSR)

A Corporate Social Responsibility Committee of the Board of Directors has been constituted, to comply with the provisions of the Companies Act, 2013

As on 31st March, 2016, the Corporate Social Responsibility Committee consisted of the following members:

Sr. No.	Name of Directors	DIN
1	Mr. Ajay Menon	00024589
2	Mr. Rajesh Dharamshi	01415232

The status of attendance of the Committee Members at these Committee Meetings are as follows:

Name of the Director	Designation	Director Identification Number (DIN)	Meetings attended in Financial Year
Mr. Ajay Menon	Director	00024589	2
Mr. Rajesh Dharamshi	Director	01415232	2
Total meetings held during the year			2

Corporate Social Responsibility (CSR) Initiatives

The Company believes in enhancing the human intangible asset and strive to contribute largely to the education & learning front. Over the years, the Company have been striving to achieve a balance of economic, environmental and social imperatives while satisfying the needs and expectations of internal and external stakeholders.

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

The Company makes contributions to various projects directly and through Motilal Oswal Foundation, a charitable company incorporated under Section 25 of the Companies Act, 1956.

BOARD'S REPORT *(Contd..)*

As part of initiatives under CSR, during the year under review, the Company made contribution in area of education towards formation of Ashoka University [International Foundation For Research and Education] in New Delhi.

The Annual Report on CSR activities is annexed herewith to this report as "Annexure 1".

Business Risk Management

The organization realizes the importance of Enterprise Risk Management (ERM) framework and had taken early initiatives towards the implementation of business risk management policy. The organization has introduced several improvements to the business risk management policy.

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

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

Internal Financial Controls

The Company has in place adequate Internal Financial Control systems with reference to financial statements. During the year under review, no material or serious observation has been received from the Auditors of the Company for inefficiency or inadequacy of such controls.

Loans, Guarantees and Investments

The details of investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in note no. 9 to financial statement. During the year under review, there were no loans and guarantees given by the Company.

Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

Your Company has defined Materiality for undertaking contracts and arrangements or transactions which are material in nature. The definition of Materiality has been adopted from Regulation 23 of the Listing Regulations, 2015 which states as follows: "Transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statement of the Company. Since the Company does not have any subsidiary Company, materiality is decided based on transactions exceeding 10% of the standalone turnover as per the last audited financial statement of the Company."

During the year under review, there were no related party transactions entered into by the Company which were material in nature, thus disclosure in form AOC -2 is not required.

Statutory Auditors

Your Company had appointed M/s Aneel Lasod and Associates, as Statutory Auditors for the term of five years at the Annual General Meeting held on 30th September, 2014. In compliance with the provisions of Section 139 of the Companies Act, 2013, the appointment of the auditors is to be ratified by the members at every Annual General Meeting. M/s Aneel Lasod and Associates, Chartered Accountant (ICAI Firm Registration No. 124609W) have given their consent for re-appointment. The members are requested to ratify the appointment of Auditors and fix their remuneration.

There were no qualifications, reservations, adverse remarks or disclaimers in the report of Statutory Auditors of the Company nor any frauds were reported by the auditor under Section 143(12) of the Companies Act, 2013.

Particulars of Employees as required under section 197 of the Companies Act, 2013 and rules framed there under

In accordance with the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the annexure pertaining to the names and other particulars of employees is available for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the said Annexure may write to the Company for the same.

Directors' Responsibility Statement

Pursuant to section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the Profit of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the annual accounts have been prepared on a going concern basis.
- (v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and the systems were adequate and operating effectively.

Extract of Annual Return

The Extract of Annual Return in Form MGT-9 under Section 92(3) and Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed herewith to this report as "Annexure 2".

Significant and Material Orders

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

Policy on Prevention of Sexual Harassment of Women at Workplace

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company is committed to provide an environment, which is free of discrimination, intimidation and abuse. The Company believes that it is the responsibility of the organisation to protect the integrity and dignity of its women employees and also to avoid conflicts and disruptions in the work environment due to such cases. The Company has put in place a 'Policy against Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy, any women employee may report her complaint to the Redressal Committee formed for this purpose. We affirm that adequate access was provided to any complainant who wish to register a complaint under the policy. There were no complaints received by the Company, during the FY 2015-16.

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

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

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

Mandatory disclosures in the Boards' report

Following mandatory disclosures in the Boards' Report pursuant to the provisions of the Companies Act, 2013 are not applicable to the Company:

- Section 134(3)(d) - A statement on declaration given by independent directors under sub-section (7) of section 149;
- Section 134(3)(e) - As per sub-section (1) of section 178, policies on appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178;
- Section 134(3)(f) - Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made by the Company secretary in practice in his secretarial audit report;
- Section 134(3)(l) - Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statement relate and the date of the report;
- Section 177 - Audit Committee;

BOARD'S REPORT *(Contd..)*

- Section 177(9) - Establishment of Vigil Mechanism;
- Section 178 - Nomination And Remuneration Committee and Stakeholders Relationship Committee;
- Section 203 - Appointment of Key Managerial Personnel;
- Section 204 - Secretarial Audit;
- Performance Evaluation of the Board of Directors;

Acknowledgments

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

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

Ajay Menon
Chairman
DIN: 00024589

Place : Mumbai

Date : 22nd April, 2016.

ANNEXURE 1 TO THE BOARD'S REPORT

Annual report on Corporate Social Responsibility Activities

[Pursuant to section 135 of the Companies Act, 2013 and rule 9 of the Companies (Accounts) Rules, 2014]

1. A brief outline of the Company's Corporate Social Responsibility (CSR) Policy

The Company recognizes the responsibilities towards society and strongly intends to contribute towards development of knowledge based economy. Recognizing the responsibilities towards society, the Company intends to carry out initiatives for supporting education. The Company's endeavour is to provide liberal arts education at low cost, providing education to children from different background etc.

2. The Composition of the CSR Committee

The CSR Committee comprises of two Directors:

Sr. No.	Name of Directors	DIN
1	Mr. Ajay Menon	00024589
2	Mr. Rajesh Dharamshi	01415232

3. Average net Profit of the Company for last three Financial Years

₹ 29,012,503

4. Prescribed CSR Expenditure

₹ 590,000

5. Details of CSR spent during the financial year.

a) Total amount spent for the financial year; ₹ 600,000

b) Amount unspent, if any; NIL

c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) projects or programs wise (₹)	Amount spent on the projects or programs Subheads: (i) Direct expenditure on projects or programs (ii) Overheads (₹)	Cumulative expenditure up to the reporting period (₹)	Amount spent: Direct or through implementing agency*
1.	International Foundation for Research and Education (Construction of Ashoka University)	Education	New Delhi	600,000	Direct Expenditure of ₹ 600,000	600,000	Through M/s Motilal Oswal Foundation
	Total			600,000		600,000	

* Give details of implementing agency:

M/s. Motilal Oswal Foundation is registered under section 25 of the Companies Act, 1956 incorporated on 24th June, 2011 having registered office at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025. Motilal Oswal Foundation is a non-profit organisation to support social initiatives of the group and is promoted by Mr. Motilal Oswal, Mr. Raamdeo Agarawal and Passionate Investment Management Private Limited, the group holding company. The Foundation is headed by Mrs. Suneeta Agrawal. Education, healthcare and rural and urban development are the key focus areas of Motilal Oswal Foundation.

ANNEXURE 1 TO THE BOARD'S REPORT

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Not Applicable

7. Responsibility Statement

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of CSR Projects and activities in compliance with our CSR objectives.

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

Place : Mumbai

Date: 22nd April, 2016.

Ajay Menon

Chairman

DIN: 00024589

ANNEXURE 2 TO THE BOARD'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2016

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

I. Registration and Other Details

i) CIN	U65990MH1991PTC060928
ii) Registration Date	26th March, 1991
iii) Name of the Company	Motilal Oswal Commodities Broker Private Limited
iv) Category / Sub Category of the Company	Public Limited Company
v) Address of the Registered Office and contact details	Motilal Oswal Tower, 6th Floor, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025. Tel. No. +91 22 3980 4200
vi) Whether Shares Listed On Recognized Stock Exchange(s)	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

II. Principal Business Activities of the Company

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Brokerage and Commission Income	66120	82.79%
2	FDR Interest-Other operating Revenue	66120	17.00%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Motilal Oswal Financial Services Limited (MOFSL)	L67190MH2005PLC153397	Holding	100	2(46)

Note:

- There are no Subsidiary and Associate Companies of the Company as on 31st March, 2016.
- Passionate Investment Management Private Limited (PIMPL) is the ultimate holding Company and holds 54.01% shares in Motilal Oswal Financial Services Limited (MOFSL).

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Bodies Corp.	-	4,10,044	4,10,044	100	-	4,10,044	4,10,044	100	0
Sub-total (A) (1)	-	4,10,044	4,10,044	100	-	4,10,044	4,10,044	100	0

ANNEXURE 2 TO THE BOARD'S REPORT

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	4,10,044	4,10,044	100	-	4,10,044	4,10,044	100	0
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	-	4,10,044	4,10,044	100	-	4,10,044	4,10,044	100	0

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	No. of shares	% of the total shares of the company	% of the shares pledged / encumbered to total shares	
1	Motilal Oswal Financial Services Limited	4,10,043	100	-	410,043	100	-	0
2	Motilal Oswal Financial Services Limited jointly with Mr. Motilal Oswal	1	0	-	1	0	-	0
	Total	4,10,044	100	-	410,044	100	-	0

iii) Change in Promoters' Shareholding:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year / end of the year		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Motilal Oswal Financial Services Limited	4,10,043	100	01-04-2015	0	Nil movement during the year	4,10,043	100
		4,10,043	100	31-03-2016				
2	Motilal Oswal Financial Services Limited jointly with Mr. Motilal Oswal	1	0	01-04-2015	0	Nil movement during the year	1	0
		1	0	31-03-2016				

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

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
NIL							

ANNEXURE 2 TO THE BOARD'S REPORT

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Designation	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NIL						

V. Indebtedness

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

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	20,010,255	-	20,010,255
ii) Interest due but not paid	-	6,408	-	6,408
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	20,016,663	-	20,016,663
Change in Indebtedness during the financial year				
• Addition	-	20,176,530	-	20,176,530
• Reduction	-	20,010,255	-	20,010,255
Net Change	-	166,275	-	166,275
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	268,210	-	268,210
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	268,210	-	268,210

VI. Remuneration of Directors and Key Managerial Personnel

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission as % of profit	-	-
5	Others, please specify Variable Incentives	-	-
	Total (A)	-	-
	Ceiling as per the Act *5% of the net profit calculated as per Section 198		-

ANNEXURE 2 TO THE BOARD'S REPORT

B. Remuneration to other directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors		
	• Fee for attending board / committee meetings	–	–
	• Commission	–	–
	• Others, please specify	–	–
	Total (1)	–	–
2.	Other Non-Executive Directors		
	• Fee for attending board / committee meetings	–	–
	• Commission	–	–
	• Others, please specify	–	–
	Total	–	–

C. Remuneration to key managerial personnel other than MD / Manager / WTD:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	–	–	–
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–	–	–	–
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	–	–	–	–

VII. Penalties / Punishment / Compounding of Offences:

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

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

Ajay Menon

Chairman

(DIN : 00024589)

Place : Mumbai

Date : 22nd April, 2016.

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements:

We have audited the accompanying financial statements of MOTILAL OSWAL COMMODITIES BROKER PRIVATE LIMITED. ("the Company"), which comprises the Balance Sheet as at 31st March 2016, the statement of Profit and Loss and the Cash Flow Statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

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

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. 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 statements are free from material misstatement.

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

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

Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2016; and
- (ii) In the case of the statement of Profit and Loss, of the Loss for the year ended on that date;
- (iii) In the case of the Cash Flow Statement, of the 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"), as amended, issued by the Central Government of India in terms of sub-section (1) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have 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 our examination of those books;
 - (c) The company's balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns;
 - (d) In our opinion, the financial statements comply with the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.;

INDEPENDENT AUDITORS' REPORT *(Contd..)*

- (e) On the basis of written representations received from the directors as on 31st March, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016, from being appointed as a director in terms of sub-section (2) of section 164 of the Companies Act, 2013.
- (f) The company has adequate internal financial controls system in place and is operating effectively.
- (g) The company has disclosed in Financial Statement the pending litigations as at 31st March, 2016 which would impact its financial position.
- (h) The company did not have any Long Term Contracts including derivative contracts for which there were any material foreseeable losses.

For **Aneel Lasod And Associates**
Chartered Accountants
Firm Registration No.:- 124609W

Aneel Lasod
(Partner)
M.No.:-040117
Place: Mumbai
Date: 22nd April, 2016

ANNEXURE TO AUDITORS' REPORT:

Annexure referred to in our report to the members of MOTILAL OSWAL COMMODITIES BROKER PRIVATE LIMITED for the year ended March 31, 2016.

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. 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.

INDEPENDENT AUDITORS' REPORT (Contd..)

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

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 188 and Section 177 of the Companies Act, 2013 wherever applicable the details have been disclosed in the Financial Statements etc as required by accounting standard.

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: 22nd April, 2016

INDEPENDENT AUDITORS' REPORT *(Contd..)*

The MEMBERS of MOTILAL OSWAL COMMODITIES BROKER 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 BROKER PRIVATE LIMITED ("the Company") as of 31st March 2016 in conjunction with our audit of the standalone financial statements 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 The institute of chartered accountant of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the internal financial controls are free from material misstatement.

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 judgement including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements in accordance with generally accepted accounting principles, and that receipts and expenditure 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 unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting;

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, 2016, based on the essential components of internal control stated in the guidance notes issued by ICAI.

For Aneel Lasod And Associates

Chartered Accountants

Firm Registration No.:- 124609W

Aneel Lasod

(Partner)

M.No.:-040117

Place: Mumbai

Date: 22nd April, 2016

BALANCE SHEET

Balance Sheet as at March 31, 2016

	Note No.	As on 31-Mar-16 (In ₹)	As on 31-Mar-15 (In ₹)
I EQUITY AND LIABILITIES			
(1) Share Holder's Funds :			
Share Capital	1	4,100,440	4,100,440
Reserve & Surplus	2	154,445,386	164,497,661
(2) Non Current Liabilities			
Long-term Provision	3	1,557,100	564,449
(3) Current Liabilities			
Short term borrowings	4	166,275	20,010,255
Trade Payables	5	2,748,801,988	2,717,402,342
Other current liabilities	6	172,676,961	132,936,657
Short term provisions	7	5,394,704	6,165,035
TOTAL		3,087,142,854	3,045,676,840
II. ASSETS			
(1) Non - Current Assets			
Property Plant and Equipments	8		
(i) Tangible Assets		5,586,154	10,797,995
(ii) Intangible Assets		325,139	668,055
Non-current Investment	9	50,000,000	50,000,000
Deferred tax assets (net)	10	18,075,197	12,382,170
Long term loans & advances	11	4,291,426	6,533,300
Other non current assets	12	–	3,850,000
(2) Current Assets			
Inventories	13	44,116	44,116
Trade Receivables	14	2,590,900,612	2,596,908,031
Cash & bank balances	15	298,066,830	256,970,985
Short term loans & advances	16	109,101,512	93,929,713
Other current assets	17	10,751,868	13,592,474
TOTAL		3,087,142,854	3,045,676,840

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

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 : 22nd April, 2016

For and on behalf of the Board of

For Motilal Oswal Commodities Broker Private Limited

Ajay Menon

Director

DIN No.

Rajesh Dharamshi

Director

DIN No.

STATEMENT OF PROFIT AND LOSS

Statement of Profit and Loss for the year ended 31st March, 2016

	Note No.	For the Year ended 31-Mar-16 (In ₹)	For the Year ended 31-Mar-15 (In ₹)
INCOME			
Income from Operations	18	111,053,000	90,546,917
Other income	19	–	854,532
Gross Revenue		111,053,000	91,401,449
EXPENDITURE			
Employee Benefits	20	37,327,859	31,697,841
Finance costs	21	7,122,776	3,388,123
Depreciation and amortization expenses	8	5,925,339	2,260,082
Other Expenses	22	74,442,111	89,377,303
Total Expenses		124,818,085	126,723,349
Profit before Tax and exceptional item		(13,765,086)	(35,321,900)
Exceptional items - Loss		–	–
Profit before taxation		(13,765,086)	(35,321,900)
Less: Provision for Taxation			
i) Current tax		1,980,217	224,397
ii) Deferred tax		(5,693,027)	(9,996,293)
iii) Previous Years Short /(Excess)		–	(2,805,965)
Profit/(Loss) After Tax		(10,052,276)	(22,744,039)
Earnings/(Loss) Per Share (₹)			
Basic and diluted Earnings/(Loss) per share (Face value of ₹ 10 each)		(24.52)	(55.47)

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

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 : 22nd April, 2016

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

Ajay Menon

Director

DIN No.

Rajesh Dharamshi

Director

DIN No.

CASH FLOW STATEMENT

Cash flow statement as of 31st March, 2016

Particulars	For the Year ended 31-Mar-16 (In ₹)	For the Year ended 31-Mar-15 (In ₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	(13,765,086)	(35,321,900)
Adjustment for		
Interest paid	7,122,776	3,388,123
Profit on sale of fixed asset	–	(25,641)
Depreciation	5,925,339	2,260,082
Dividend Income	–	(828,891)
Provision for Bad & Doubtful debts	14,632,946	37,146,339
Adjustment for working capital changes		
Increase/(Decrease) Other Long Term Provisions	992,651	373,154
Increase/(Decrease) Current Liabilities & Provisions	70,335,197	64,792,422
(Increase)/Decrease In Current Assets	(16,699,562)	74,319,748
CASH GENERATED FROM OPERATIONS	68,544,261	146,103,435
Taxes Paid (Net of Refunds)	(3,961,079)	(1,300,743)
NET CASH FROM OPERATING ACTIVITIES	64,583,182	144,802,692
CASH FLOW FROM INVESTING ACTIVITIES		
Non Current Investment	–	(50,000,000)
Investment in fixed deposit	3,850,000	45,250,000
Purchase of Investments (Reliance MF)	–	(2,915,005,183)
Sale of Investments (Reliance MF)	–	2,915,030,824
Purchase of fixed assets	(370,582)	(11,812,121)
Dividend Income	–	828,891
NET CASH FLOW FROM INVESTING ACTIVITIES	3,479,418	(15,707,589)

CASH FLOW STATEMENT (Contd..)

Particulars	For the Year ended 31-Mar-16 (In ₹)	For the Year ended 31-Mar-15 (In ₹)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) Short-term Borrowings	(19,843,980)	(39,989,745)
Interest paid	(7,122,776)	(3,388,123)
NET CASH FLOW FROM FINANCING ACTIVITIES	(26,966,756)	(43,377,868)
NET CASH FLOW FOR THE YAER ENDED	41,095,845	85,717,235
Cash & Cash Equivalents comprise of		
Cash on hand	–	–
Scheduled Bank - In Current Account	46,970,985	21,253,749
Fixed Deposit with Banks	210,000,000	150,000,000
Total Cash & Cash Equivalents as at beginning of year	256,970,985	171,253,749
Cash & Cash Equivalents as at end of year :		
Cash on hand	–	–
Scheduled Bank - In Current Account	49,288,781	46,970,985
Fixed Deposit with Banks	248,778,049	210,000,000
Total Cash & Cash Equivalents as at end of year	298,066,830	256,970,985

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 : 22nd April, 2016

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

Ajay Menon

Director

DIN No.

Rajesh Dharamshi

Director

DIN No.

NOTES TO FINANCIAL STATEMENT

Note 1 : Share Capital

AUTHORISED

500,000 Equity Shares of ₹ 10/- each
600,000 Preference Shares of ₹ 10/- each

TOTAL

ISSUED, SUBSCRIBED & PAID UP

410,044 Equity Shares of ₹ 10/- each

TOTAL

As at 31-Mar-16		As at 31-Mar-15	
In Numbers	In ₹	In Numbers	In ₹
500,000	5,000,000	500,000	5,000,000
600,000	6,000,000	600,000	6,000,000
1,100,000	11,000,000	1,100,000	11,000,000
410,044	4,100,440	410,044	4,100,440
410,044	4,100,440	410,044	4,100,440

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.

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.

Reconciliation of the number of shares outstanding

Share Holders

Number of shares at the beginning

Number of Share at the end of the year

As at 31-Mar-16		As at 31-Mar-15	
In Numbers	In ₹	In Numbers	In ₹
410,044	4,100,440	410,044	4,100,440
410,044	4,100,440	410,044	4,100,440

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

Share Holders

Motilal Oswal Financial Services Ltd., the Holding Company

As at 31-Mar-16		As at 31-Mar-15	
No of Shares	% of Holding	No of Shares	% of Holding
410,044	100.00	400,000	100.00

NOTES TO FINANCIAL STATEMENT

Note 2: Reserves and Surplus

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Capital Redemption Reserve		
Balance b/f	6,000,000	6,000,000
Addition during the year	—	—
Balance as at end of the year	6,000,000	6,000,000
General Reserves		
Balance b/f	200,000	200,000
Addition during the year	—	—
Balance as at end of the year	200,000	200,000
Surplus- Opening Balance	158,297,661	181,121,536
Add: Net profit after tax transferred from Statement of Profit and Loss	(10,052,276)	(22,744,039)
Amount available for appropriation	148,245,386	158,377,497
Appropriations :		
Less: Transitional depreciation	—	(79,836)
Balance in profit and loss account	148,245,386	158,297,661
Total	154,445,386	164,497,661

The company had issued redeemable preference shares in the financial year 2007-08 which were redeemed out of profits in Financial year 2010-11. In order to comply with the requirements of Section 80 of the Companies Act , 1956 , the Company had transferred amounts to the Capital Redemption Reserve.

Note 3 : Long Term Provisions

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Provision for employee benefits:-		
Provison for gratuity - (refer to note 33)	1,557,100	564,449
Provision For Taxation (Net of Advance Tax paid)	—	—
Total	1,557,100	564,449

Note 4 : Short Term Borrowings

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Secured		
Bank Overdraft	—	—
Unsecured, considered good:		
Loans from holding company (refer note no 28)	166,275	20,010,255
Total	166,275	20,010,255

NOTES TO FINANCIAL STATEMENT

Note 5 : Trade Payables

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Creditors	272,924,012	241,524,367
Other trade payables	2,475,877,976	2,475,877,976
Total	2,748,801,988	2,717,402,342

Note 6 : Other Current Liabilities

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Interest accrued and due on borrowings	268,210	6,353
Accrued salaries & benefits		
For other Liabilities		
– Withholding and other taxes payable	2,335,470	1,364,903
– for expenses	10,307,717	8,502,555
– Book Overdrafts	10,798,591	77,201
– Margin Money	89,249,231	65,913,598
– Other Payables	59,717,742	57,072,047
Total	172,676,961	132,936,657

Note 7 : Short Term Provisions

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Provision for employee benefits :		
Provision for gratuity	65,348	37,395
Provision for Employee Benefits (Ex-gratia)	5,294,934	6,127,640
Provision For Taxation (Net of Advance Tax)	34,422	–
Total	5,394,704	6,165,035

Note 8 : Fixed Assets

(in ₹)

PARTICULARS	GROSS BLOCK				DEPRICIATION				NET BLOCK		
	As At 1-Apr-15	Additions	Deduct- tion	As At 1-Apr-16	As At 1-Apr-15	Additions	Deduct- tion	As At 1-Apr-16	As At 1-Apr-16	As At 1-Apr-15	
Computer Software	3,045,001.00			3,045,001.00	2,755,314.00	107,283.93		2,862,597.93	289,687.00	182,403.07	
Pms Licence	422,060.00			422,060.00	257,090.00	84,563.94		341,653.94	164,970.00	80,406.06	
Membership Card	1,515,000.00			1,515,000.00	1,301,603.00	151,067.95		1,452,670.95	213,397.00	62,329.05	
Office Premises	11,336,574.75	250,965.00		11,587,539.75	1,211,727.89	5,149,296.10		6,361,023.99	10,124,846.86	5,226,515.76	
Furniture	114,852.00			114,852.00	103,187.00	4,701.17		107,888.17	11,665.00	6,963.83	
Electrical Equipment	235,930.00	22,917.00		258,847.00	224,134.00	494.21		224,628.21	11,796.00	34,218.79	
Office Equipments	283,525.00	3,250.00		286,775.00	156,441.00	59,790.97		216,231.97	127,084.00	70,543.03	
Computer-1	3,666,157.00	93,450.00		3,759,607.00	3,143,556.36	368,141.15		3,511,697.51	522,600.64	247,909.49	
	20,619,099.75	370,582.00	0.00	20,989,681.75	9,153,053.25	5,925,339.42	0.00	15,078,392.67	11,466,046.50	5,911,289.08	

NOTES TO FINANCIAL STATEMENT

Note 9 : Non-Current Investment

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Investment in Motilal Oswal MOST Focused Multicap 35 Fund - Direct Growth	50,000,000	50,000,000
Total	50,000,000	50,000,000

Note 10 : Deferred Tax Asset

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Deferred Tax Asset:		
Difference in Net Block of Fixed Assets	1,574,062	304,877
Provision for VAT	15,999,799	11,872,726
Gratuity Provision	501,336	204,567
Provision for doubtful debts	–	–
Total	18,075,197	12,382,170

Note 11 : Long Term Loans & Advances

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Security Deposits:		
Unsecured, considered good		
Other deposits	1,482,495	1,482,495
Other loans and advances:		
Unsecured, considered good		
– Prepaid Exp (LT)	3,071	12,599
Advance Tax	2,805,860	5,038,206
Total	4,291,426	6,533,300

Note 12 : Other Non Current Assets

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Unsecured, considered good:		
Other bank balances	–	–
– Fixed deposits (maturity more than 12 months)	–	3,850,000
Total	–	3,850,000

NOTES TO FINANCIAL STATEMENT

Note 13 : Inventories (At Cost)

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Stock in Trade - Commodities	–	–
Equity Shares	44,116	44,116
Total	44,116	44,116

Note 14 : Trade Receivables

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Unsecured, considered good:		
a) Outstanding for a period exceeding six months from the date they are due for payment:	2,625,715,886	2,603,342,730
b) Outstanding for a period less than six months from the date they are due for payment:	14,453,676	10,307,560
Doubtful	(51,779,285)	(37,146,339)
Secured, considered good:		
a) Outstanding for a period exceeding six months from the date they are due for payment	544,260	1,978,293
b) Outstanding for a period less than six months from the date they are due for payment	1,966,075	18,425,787
Total	2,590,900,612	2,596,908,031

Note 15 : Cash and Bank Balances

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Cash & Cash Equivalents:		
Balance with banks:		
In current accounts	49,288,781	46,970,985
Fixed deposit (maturity Less than 12 months)	248,778,049	210,000,000
Total	298,066,830	256,970,985

Note 16 : Short Term Loans And Advances

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Deposits with Exchange	42,116,816	35,177,451
Others loans & Advances:		
Prepaid Exp	487,043	454,475
– Balance with Government Authorities	1,086,674	
– For supply of services	–	
Loans and Advances to employees	221,581	91,911
Advance tax, TDS (Net of provision)	8,953,473	4,705,844
VAT/Tax credit receivables	52,766,475	51,565,905
Others (ST)	3,469,450	1,934,128
Total	109,101,512	93,929,713

NOTES TO FINANCIAL STATEMENT

Note 17 : Other Current Assets

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Accrued interest but not due on Fixed Deposits	10,751,868	13,592,474
Total	10,751,868	13,592,474

Note 18 : Income From Operations

	For the Year Ended 31-Mar-16 In ₹	For the Year Ended 31-Mar-15 In ₹
Brokerage and Comission Income	91,936,490	74,985,390
Arbitrage Income	(64,059)	306,077
Other Operating Revenue	19,180,568	15,255,450
Total	111,053,000	90,546,917

Note 19 : Other Income

	For the Year Ended 31-Mar-16 In ₹	For the Year Ended 31-Mar-15 In ₹
Dividend on Mutual Fund	—	828,891
Other non operating income	—	25,641
Total	—	854,532

Note 20 : Employee Benefits Expense

	For the Year Ended 31-Mar-16 In ₹	For the Year Ended 31-Mar-15 In ₹
Salary, Bonus and Allowances	35,246,866	30,512,425
Contribution to Provident and other funds	954,578	753,383
Gratuity	1,020,604	382,972
Staff Welfare Expenses	105,811	49,061
Total	37,327,859	31,697,841

Note 21 : Finance cost

	For the Year Ended 31-Mar-16 In ₹	For the Year Ended 31-Mar-15 In ₹
Interest Expense	6,674,081	3,085,013
Other borrowing cost	448,694	303,109
Total	7,122,776	3,388,123

NOTES TO FINANCIAL STATEMENT

Note 22 : Other Expenses

	For the Year Ended 31-Mar-16 In ₹	For the Year Ended 31-Mar-15 In ₹
Brokerage Sharing with Intermediaries	37,002,410	32,689,966
Insurance	472,207	582,287
Legal & Professional Charges	4,215,807	1,239,969
Marketing & Brand Promotion	2,342,063	403,491
Remuneration to Auditors	207,884	151,000
Data Processing Charges	675,439	423,694
Entertainment Expenses	532,004	512,221
Rates & Taxes	24,700	12,353
Rent	274,212	273,756
Power & Fuel	225,727	301,180
Communication Expenses	2,084,613	2,138,178
Bad Debts	7,500,114	10,069,943
Provision on Doubtful Debts	–	814,826
Provision on Value Added Tax	14,632,946	34,930,057
Travelling & conveyance Expenses	2,798,371	2,340,076
CSR	600,000	575,621
Miscellaneous Expenses	853,615	1,918,685
Total	74,442,111	89,377,303

Note 23 : 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.

Note 24 : Significant Accounting Policies:

a) Basis of Preparation of Financial Statements:

The accompanying financial statements are prepared under the historical cost convention, on the accrual basis of accounting and comply in all material respects with the Accounting Standards 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 statements 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 statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any differences of actual results to such estimates are recognized in the period in which the results are known/materialized.

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,

NOTES TO FINANCIAL STATEMENT

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.

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:

- 1) 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.
- 2) 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.
- 3) 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:

- 1) Brokerage income is recognized on trade date basis and is exclusive of service tax and Commodity Transaction Tax (CTT) wherever applicable.
- 2) Interest income is recognized on accrual basis.
- 3) Dividend income is recognized when the right to receive payment is established.
- 4) Income from proprietary trading /arbitrage comprises profit/loss on sale of commodities held as stock-in-trade and profit/loss on counter derivative instruments.
 - a) In respect to the purchase and sale of commodities in spot exchange (NSEL)

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

Sale and corresponding receivable recognised in the financial statements on the date on which the transaction was executed on the exchange and the Delivery allocation report were issued by the exchange. 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"
 - b) Profit/loss on sale of all other commodities is determined based on the weighted average cost of the commodities sold.
- 5) In respect of other heads of income, the Company accounts the same on accrual basis.

NOTES TO FINANCIAL STATEMENT

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.

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 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.

k) PRELIMINARY EXPENSES:

Preliminary expenses are charged to the statement of profit and loss in the year in which they are incurred.

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.

NOTES TO FINANCIAL STATEMENT

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

m) IMPAIRMENT OF ASSETS:

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

Note 25 : 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 Private Limited
- 3) MOPE Investment Advisors Private Limited
- 4) Motilal Oswal Capital Markets Private Limited
- 5) Motilal Oswal Wealth Management Limited
- 6) 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
- 15) India Business Excellence Management Company
- 16) Motilal Oswal Asset Management (Mauritius) Pvt. Ltd.
- 17) Nagori Agro & Cattle Feeds Private Limited
- 18) VISU Associates - Partnership firm
- 19) OSAG Enterprises LLP

Key management personnel

- Ajay Menon - Director
- Rajesh Dharamshi - Director

NOTES TO FINANCIAL STATEMENT

(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.

Transaction	Name of the related Party	Holding Company (A)		Fellow Subsidiaries (B)		Total (A+B+C)	
		2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
Interest Expense	Motilal Oswal Financial Services Limited	6,427,198	1,755,362	–	–	6,427,198	1,755,362
Rent Expense	Motilal Oswal Securities Limited	–	–	273,756	273,756	273,756	273,756
Loans (Maximum balance)	Motilal Oswal Financial Services Limited	(232,271,702)	(120,001,656)	–	–	(232,271,702)	(120,001,656)
Outstanding Balances:							
Corporate Guarantees	Motilal Oswal Financial Services Limited	(50,000,000)	(50,000,000)	–	–	(50,000,000)	(50,000,000)
Other liabilities	Motilal Oswal Securities Limited	–	–	(502,463,838)	(494,923,475)	(502,463,838)	(494,923,475)
	Motilal Oswal Financial Services Limited	–	–	–	–	–	–
Unsecured Loan	Motilal Oswal Financial Services Limited	(434,485)	(20,074,398)	–	–	(434,485)	(20,074,398)
Rent Deposit Received	Motilal Oswal Securities Limited	–	–	136,877	136,877	136,877	136,877

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

Note 26 : Auditors' Remuneration :

Particulars	31-Mar-16	31-Mar-15
Audit fees	140,000	140,000
Tax Audit fees	10,000	10,000
In any other capacity, in respect of:		
Other Services	57,884	1,000
TOTAL	207,884	151,000

Note 27 : Basic & Diluted Earnings per share :

Particulars	2015-16	2014-15
Net Profit / (Loss) attributable to equity shareholders [A] (₹)	(10,052,276)	(22,744,039)
Number of equity shares issued [B]	410,044	410,044
Basic & Diluted Earnings/(Loss) per share [A/B] (₹)	(24.52)	(55.47)

Note 28 :

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, 2016	March 31, 2015
I Assumptions as at		
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest / Discount Rate	7.49%	7.77%
Rate of increase in compensation	10.00%	5.00%
Rate of return (expected) on plan assets	–	–
Employee Attrition Rate(Past Service (PS))	PS: 0 to 37 : 16.31%	PS: 0 to 37 : 20.59%
Expected average remaining service	4.98	3.80

NOTES TO FINANCIAL STATEMENT

	March 31, 2016	March 31, 2015
II Changes in present value of obligations (PVO)		
PVO at beginning of year	601,844	218,872
Interest cost	46,763	19,151
Current Service Cost	448,913	312,251
Past Service Cost- (non vested benefits)	-	-
Past Service Cost -(vested benefits)	-	-
Benefits Paid	-	-
Actuarial (Gain)/Loss on obligation	524,928	51,570
PVO at end of year	1,622,448	601,844
(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)	(1,622,448)	(601,844)
Excess of actual over estimated return on Plan Assets	-	-
(V) Experience History		
(Gain)/Loss on obligation due to change in Assumption	498,271	92,318
Experience (Gain)/ Loss on obligation	26,657	(40,748)
Actuarial Gain/(Loss) on plan assets	-	-
(VI) Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the year (Obligation)	(524,928)	(51,570)
Actuarial Gain/(Loss) for the year (Plan Assets)	-	-
Total Gain/(Loss) for the year	(524,928)	(51,570)
Actuarial Gain/(Loss) recognized for the year	(524,928)	(51,570)
Unrecognized Actuarial Gain/(Loss) at end of year	-	-
(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	-	-

NOTES TO FINANCIAL STATEMENT

	March 31, 2016	March 31, 2015
(VIII) Amounts to be recognized in the balance sheet and statement of profit and loss		
PVO at end of period	1,622,448	601,844
Fair Value of Plan Assets at end of year	–	–
Funded Status	(1,622,448)	(601,844)
Unrecognized Actuarial Gain/(Loss)	–	–
Unrecognised Past Service Cost- non vested benefits	–	–
Net Asset/(Liability) recognized in the balance sheet	(1,622,448)	(601,844)
(IX) Expense recognized in the statement of profit and loss		
Current Service Cost	448,913	312,251
Interest cost	46,763	19,151
Past Service Cost- (non vested benefits)	–	–
past Service Cost - (vested benefits)	–	–
Unrecognised Past Service Cost- non vested benefits	–	–
Expected Return on Plan Assets	–	–
Net Actuarial (Gain)/Loss recognized for the year	524,928	51,570
Expense recognized in the statement of profit and loss	1,020,604	382,972
(X) Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	601,844	218,872
Expenses as above	1,020,604	382,972
Contribution paid	–	–
Closing Net Liability	1,622,448	601,844
(XI) Revised schedule VI		
Current liability	65,348	37,395
Non-current liability	1,557,100	564,449

Note 29 : Segment Reporting:

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

Note 30 : Provisions made for the Year ended 31st March, 2016 comprises of:

Particulars	Opening balance	Provided during the year ended 31.03.16	Provision Paid /reversed during the year ended 31.03.16	Closing balance as of 31.03.16
Ex-gratia	6,127,640	5,191,058	6,023,764	5,294,934
Gratuity	601,844	1,020,604	0	1,622,448

Particulars	Opening balance	Provided during the year ended 31.03.15	Provision Paid /reversed during the year ended 31.03.15	Closing balance as of 31.03.15
Ex-gratia	2,808,021	3,449,224	129,605	6,127,640
Gratuity	218,872	382,972	–	601,844

NOTES TO FINANCIAL STATEMENT

Note 31 :

Amount of margin money and shares received from clients and outstanding as on 31st March, 2016 are as follows:

Security Settlement for the	In the form of Securities at market Value	Received in cheque	Received as Bank Guarantee
Year ended 31.03.2016	–	–	–
Year ended 31.03.2015	67,185,695	31,208,874	65,802,098

Note 32 : Contingent liabilities not provided for:

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

Pending against Forum	As at 31st March, 2016		As at 31st March, 2015	
	No. of Cases	Amount	No. of Cases	Amount
Arbitration Cases	2	5,657,446	4	875,000

Future cash outflow in respect of (b) above determinable only on receipt of judgement / decisions pending with Various forums / authorities

b) Demand in respect of Income Tax matters for which appeal is pending is ₹ 15,89,323/- (Previous Year ₹ 6,92,257/-) . This is disputed by the company and hence not provided for. 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 ₹ 32,500 (Previous Year : ₹ 93,450)

Note 33 :

Trade receivables in case of subsidiary company Motilal Oswal Commodities Broker Pvt. Ltd. includes ₹ 2,573.47 millions (Previous year ₹ 2,573.47) receivable from National Spot Exchange Limited on behalf of customers and the same is also shown as Other Trade payable to customers at ₹2,475.88 millions (Previous year ₹2,475.88) which will become due only on receipt from National Spot Exchange Limited.

Note 34 : Initial Margin:

Initial margin in respect of outstanding derivative instruments (commodities) at the year end is ₹ NIL (Previous Year : NIL) which comprises of cash margin, fixed deposits, bank guarantee & collaterals.

Note 35 :

Other trade payables includes amount not due to customers, receivable from National Spot Exchange Limited, the same will be due only on receipt from National Spot Exchange Limited.

Note 36 : Quantitative information in respect of income from Trading in commodities

Cash Segment	31-Mar-16		31-Mar-15	
	Quantity	₹	Quantity	₹
Opening Stock	–	–	–	–
Purchase	–	–	821.56	39,766,520.68
Sales	–	–	821.56	38,934,035.25
Stock written off	–	–	–	–
Closing stock	–	–	–	–

NOTES TO FINANCIAL STATEMENT

Note 37 : 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 ₹ 5,90,000 (Previous year : Nil)
b) Amount spent during the period ended 31st March, 2016 on :

Particulars	Amount paid	Yet to be paid	Total
a) Construction/acquisition of any asset	6,127,640	5,191,058	6,023,764
– International Foundation For Research And Education (Construction Of Ashoka University) through Motilal Oswal Foundation	–	–	–
b) on Purposes other than (a) above			
Total	–	–	–

Note 38 :

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 39 :

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

For Aneel Lasod and Associates

Chartered Accountants

Firm Registration No. 124609W

Aneel Lasod

Partner

M No: 40117

Place : Mumbai

Dated : 22nd April, 2016

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

Ajay Menon

Director

DIN No.

Rajesh Dharamshi

Director

DIN No.

MOPE Investment Advisors Private Limited

Annual Report 2015-2016

INDEPENDENT AUDITORS' REPORT

To the Members of **MOPE INVESTMENT ADVISORS PRIVATE LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of MOPE Investment Advisors Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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 standalone financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on 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 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;

INDEPENDENT AUDITORS' REPORT *(Contd..)*

- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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, we give our separate Report in "Annexure 2".
- 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 30 on Contingent Liabilities;
 - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Amit A. Hundia
Partner
Membership No.120761

Place: Mumbai
Date: 23rd April, 2016

INDEPENDENT AUDITORS' REPORT *(Contd..)*

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of MOPE Investment Advisors Private Limited on the standalone financial statements for the year ended March 31, 2016]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) During the year, fixed assets have been physically verified by the management as per the regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
(c) The Company does not have any immovable property recorded as fixed assets in the books of the Company, hence clause (i)(c) of paragraph 3 of the Order is not applicable to the Company.
- (ii) The Company does not have any inventory during the year, hence clause (ii) of paragraph 3 of the order is not applicable to the Company.
- (iii) The Company has granted unsecured loan to one company covered in the register maintained under Section 189 of the Act.
(a) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that, the terms and conditions of the aforesaid loan granted by the Company, which is repayable on demand, are not prejudicial to the interest of the Company.
(b) Since there is no stipulation as regards repayment of principal and interest, clause 3(iii)(b) is not applicable.
(c) In respect of the aforesaid loan, there is no overdue amount of loan granted to a company listed in the register maintained under Section 189 of the Act.
- (iv) Based on information and explanation given to us the Company has not given any guarantees and securities. Further, in respect of Loans and Investment, the Company has complied with the provisions of Section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, cess and other material statutory dues applicable to it. As explained to us, the provisions regarding value added tax, customs duty, excise duty are presently not applicable to the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues with respect to income tax, sales tax, service tax, value added tax, customs duty, excise duty, which have not been deposited on account of any dispute.
- (viii) The Company does not have any loan or borrowing from bank(s) / government(s) or dues to debenture holder(s). Further, according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution(s).
- (ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Therefore, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) The Company has not paid/provided any managerial remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company

INDEPENDENT AUDITORS' REPORT *(Contd..)*

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
- (xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W

Amit A. Hundia

Partner

Membership No.120761

Place: Mumbai

Date: 23rd April, 2016

INDEPENDENT AUDITORS' REPORT *(Contd..)*

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of MOPE Investment Advisors Private Limited on the standalone financial statements for the year ended March 31, 2016]

Report on the Internal Financial Controls over Financial Reporting 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 MOPE Investment Advisors Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements 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 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 specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 March 31, 2016, 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 ICAI.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W

Amit A. Hundia

Partner

Membership No.120761

Place: Mumbai

Date: 23rd April, 2016

BALANCE SHEET

Balance Sheet as at March 31, 2016

	Note No.	As on 31-Mar-16 (In ₹)	As on 31-Mar-15 (In ₹)
I EQUITY AND LIABILITIES			
Shareholders' Funds :			
Share Capital	1	588,250	588,250
Reserves and Surplus	2	416,891,920	357,660,593
	(A)	417,480,170	358,248,843
Non-Current Liabilities			
Long Term Provision	3	3,031,752	3,319,417
	(B)	3,031,752	3,319,417
Current Liabilities			
Short Term Borrowings	4	128,295	634,250
Other Current Liabilities	5	132,839,105	7,345,503
Short Term Provisions	6	41,165,654	48,699,707
	(C)	174,133,054	56,679,460
TOTAL	(A+B+C)	594,644,976	418,247,720
II. ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	7	3,037,721	5,887,658
Intangible Assets	7	34,818	105,254
Non-Current Investment	8	363,473,899	268,335,479
Deferred Tax Asset	9	2,543,063	4,864,728
Long-term Loans And Advances	10	41,391,217	22,382,202
	(D)	410,480,718	301,575,321
Current Assets			
Trade Receivables	11	3,448,230	85,598,872
Cash and Bank Balances	12	115,310,979	28,100,334
Short-term Loans & Advances	13	65,405,049	2,973,193
	(E)	184,164,259	116,672,398
TOTAL	(D+E)	594,644,976	418,247,720
Significant accounting policies	21		
Notes forming part of accounts	1 to 36		

As per our attached report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No 103523W

Amit A. Hundia

Partner

Membership No. 120761

Place : Mumbai

Dated : 23rd April, 2016

For and on behalf of the Board of
MOPE Investment Advisors Private Limited

Motilal Oswal

Director

DIN No. 00024503

Raamdeo Agarawal

Chairman

DIN No. 00024533

STATEMENT OF PROFIT AND LOSS

Statement of Profit and Loss for the year ended 31st March, 2016

	Note No.	For the Period ended 31-Mar-16 (In ₹)	For the Period ended 31-Mar-15 (In ₹)
REVENUE			
Revenue from Operations	14	219,445,558	246,357,678
Other Income	15	30,161,910	8,502,553
Total Revenue	(A)	249,607,468	254,860,231
EXPENDITURE			
Employee Benefit Expenses	16	94,648,040	95,436,536
Finance Cost	17	3,113,978	2,598,044
Depreciation	7	3,108,653	3,540,466
Other Expenses	18	50,653,093	40,283,294
Total Expenses	(B)	151,523,764	141,858,340
Profit/(Loss) before Prior Period Item & Tax	(C = (A - B))	98,083,703	113,001,891
Prior Period Item	19	406,483	–
Profit/(Loss) before Tax	(D= C - 19)	97,677,220	113,001,891
Provision for Taxation			
Current tax		36,124,229	33,895,859
Deferred tax		2,321,664	(575,176)
Income Tax for earlier years		–	5,670,406
Tax impact on Transitional Depreciation		–	54,139
Total Tax Expenses	(E)	38,445,893	39,045,228
Profit/(Loss) After Tax	(F = (D-E))	59,231,327	73,956,663
Earnings per share (₹)			
Equity share of par value ₹10 each			
Basic	23	1,006.91	1,257.23
Diluted	23	1,006.91	1,257.23
Summary of significant accounting policies			
Notes forming part of accounts			

As per our attached report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No 103523W

Amit A. Hundia

Partner

Membership No. 120761

Place : Mumbai

Dated : 23rd April, 2016

For and on behalf of the Board of
MOPE Investment Advisors Private Limited

Motilal Oswal

Director

DIN No. 00024503

Raamdeo Agarawal

Chairman

DIN No. 00024533

CASH FLOW STATEMENT

Cash flow statement as of 31st March, 2016

Particulars	For the Year ended 31-Mar-16 (In ₹)	For the Year ended 31-Mar-15 (In ₹)
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT BEFORE TAX	97,677,220	113,001,892
Adjustment for :		
1) Depreciation	3,108,653	3,540,466
2) Interest Expenses	3,113,978	2,598,044
3) Interest Income	(20,560)	(2,171)
4) Dividend Income	–	(127,257)
5) Profit on sale of Investment	(5,979,058)	(15,162,976)
6) (Profit)/Loss on sale of fixed assets	(3,983)	87,810
7) Partnership Gain	(27,208,769)	(5,532,515)
8) Provision for Gratuity	825,870	1,090,094
9) Provision for Compesated Absences	375,793	187,644
OPERATING PROFIT	71,889,144	99,681,031
Adjustment For:		
1) Increase/(Decrease) in Long Term Provision	(287,665)	(294,968)
2) Increase/(Decrease) In Other Current Liabilities	125,509,202	(3,274,237)
3) Increase/(Decrease) In Short Term Provisions	(2,819,400)	(38,528,847)
4) (Increase)/Decrease in Long-term Loans And Advances	78,847	(4,605,940)
5) (Increase)/Decrease in Trade Receivable	82,150,642	24,506,013
6) (Increase)/Decrease in Short-term Loans & Advances	(12,415,994)	(1,173,079)
CASH GENERATED FROM OPERATIONS	264,104,776	76,309,972
Taxes Paid	(61,128,409)	(41,543,386)
Prior Period Items	–	–
NET CASH GENERATED FORM OPERATING ACTIVITIES	202,976,367	34,766,586

CASH FLOW STATEMENT (Contd..)

Particulars	For the Year ended 31-Mar-16 (In ₹)	For the Year ended 31-Mar-15 (In ₹)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(193,297)	(238,507)
Proceeds From Sale of Fixed assets	9,000	908,210
Investment in Subsidiary company	(10)	(49,500,000)
Purchase of Investments	(96,900,450)	(27,112,661)
Proceed from Sale of investment	34,949,867	45,026,450
Interest Received	20,560	2,171
Dividend Received	–	127,257
Loan given to subsidiary company	(50,015,862)	–
NET CASH USED IN INVESTING ACTIVITIES	(112,130,192)	(30,787,080)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(505,951)	634,250
Interest Paid	(3,129,578)	(2,624,757)
NET CASH USED IN FINANCING ACTIVITIES	(3,635,529)	(1,990,507)
NET INCREASE/(DECREASE) IN CASH/CASH EQUIVALENTS	87,210,646	1,988,999
Cash and cash equivalent comprise of:		
Cash on hand	461,381	245,199
Scheduled bank - In Current Account	27,638,953	25,866,137
Total Cash & Cash Equivalents as at beginning of the year	28,100,334	26,111,336
Cash and cash equivalent comprise of:		
Cash on hand	392,888	461,381
Scheduled bank - In Current Account	114,918,091	27,638,953
Total Cash & Cash Equivalents as at end of the year	115,310,979	28,100,334

As per our attached report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No 103523W

Amit A. Hundia

Partner

Membership No. 120761

Place : Mumbai

Dated : 23rd April, 2016

For and on behalf of the Board of
MOPE Investment Advisors Private Limited

Motilal Oswal

Director

DIN No. 00024503

Raamdeo Agarawal

Chairman

DIN No. 00024533

NOTES TO FINANCIAL STATEMENT

Note 1 : Share Capital

	As at 31-Mar-16		As at 31-Mar-15	
	In Numbers	In ₹	In Numbers	In ₹
Authorised				
Equity Shares of ₹ 10/- each (P.Y. ₹ 10/- each)	500,000	5,000,000	500,000	5,000,000
Non Convertible Preference Shares of ₹ 10/ each (P.Y. ₹ 10/- each)	500,000	5,000,000	500,000	5,000,000
TOTAL	1,000,000	10,000,000	1,000,000	10,000,000
Issued, Subscribed & Paid Up				
Equity Shares of ₹ 10/- each.	58,825	588,250	58,825	588,250
Of the above 50,000 shares (previous year 50,000 Shares) held by holding company Motilal Oswal Financial Services Limited,*				
TOTAL	58,825	588,250	58,825	588,250

1.1 Rights, preferences and restrictions attached to shares

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 rate of dividend

Preference Shares :

The Company has one class of preference shares having a par value of ₹ 10/- and there are no preference shares issued & subscribed as on 31.03.2016 and 31.03.2015.

- 1.2** 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.

1.3 Reconciliation of number of Shares outstanding

Particulars	As at 31-Mar-16		As at 31-Mar-15	
	In Numbers	In ₹	In Numbers	In ₹
Number of shares at the beginning of the year	58,825	588,250	58,825	588,250
Addition during the year	-	-	-	-
Number of shares at the end of the year	58,825	588,250	58,825	588,250

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

Share Holders	As at 31-Mar-16		As at 31-Mar-15	
	No of Shares	% of Holding	No of Shares	% of Holding
Motilal Oswal Financial Services Ltd (Holding Company) *	50,000	85.00	50,000	85.00
Mr. Vishal Tulsyan	6,345	10.78	5,493	9.34

* including 1 share jointly held with Mr. Motilal Oswal

NOTES TO FINANCIAL STATEMENT

Note 2: Reserves and Surplus

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Surplus		
Opening Balance	357,660,593	283,813,537
Add: Net Profit After Tax transferred from Statement of Profit and Loss	59,231,327	73,956,663
Less: Transition Depreciation	–	(109,606)
TOTAL	416,891,920	357,660,593

Note 3 : Long Term Provisions

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Provision for Employee Benefits		
Provision for Gratuity	3,031,752	3,319,417
TOTAL	3,031,752	3,319,417

Note 4 : Short Term Borrowings

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Loans and Advances from Related Party (Unsecured, Considered good)		
Moitlal Oswal Financial services Ltd (holding company)	128,295	634,250
TOTAL	128,295	634,250

Note 5 : Other Current Liabilities

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Interest Accrued and Due on borrowings	–	15,600
Income Received in Advance	125,202,743	1,072,518
Other Payables		
Taxes Payable	1,823,496	4,532,855
For Expenses	5,812,867	1,724,530
TOTAL	132,839,105	7,345,503

NOTES TO FINANCIAL STATEMENT

Note 6 : Short Term Provisions

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Provision for Employee Benefits		
Provision for Gratuity	761,573	792,267
Provision for Ex-Gratia Payable	38,675,000	40,790,000
Provision for Compesated Absences	375,793	187,644
Others		
Provision for Income tax (Net of Advance tax of ₹ Nil, PY ₹ 279,79,543)	–	5,916,316
Provision for Expenses	1,353,288	1,013,480
TOTAL	41,165,654	48,699,707

Note : 7 Fixed Assets

(in ₹)

PARTICULARS	GROSS BLOCK				DEPRICIATION					NET BLOCK	
	As At 01-Apr-2015	Additions	Deduction	As At 01-Apr-2016	As At 01-Apr-2015	Additions	Additions	Transition Depreciation	As At 01-Apr-2016	As At 01-Apr-2016	As At 01-Apr-2015
Tangible assets											
1 Computers	2,070,192	88,725	134,031	2,024,886	1,740,180	236,588	64,507	–	1,912,261	112,625	330,012
2 Office Equipments	1,414,114	104,570	–	1,518,685	1,166,395	133,586	–	–	1,299,981	218,704	247,719
3 Vehicles:	766,518	–	–	766,518	254,866	201,731	–	–	456,597	309,922	511,653
4 Furniture	2,171,658	–	–	2,171,658	1,304,104	433,829	–	–	1,737,932	433,726	867,554
5 Lease Hold Improvement	10,283,388	–	–	10,283,388	6,352,666	1,967,978	–	–	8,320,644	1,962,744	3,930,722
Intangible assets											
1 Computer Software	376,025	–	–	376,025	270,771	70,435	–	–	341,206	34,819	105,254
Total	17,081,896	193,296	134,031	17,141,161	11,088,982	3,044,147	64,507	–	14,068,621	3,072,539	5,992,914

Previous Year

(in ₹)

PARTICULARS	GROSS BLOCK				DEPRICIATION					NET BLOCK	
	As At 01-Apr-2014	Additions	Deduction	As At 01-Apr-2015	As At 01-Apr-2014	Additions	Additions	Transition Depreciation	As At 01-Apr-2015	As At 01-Apr-2015	As At 01-Apr-2014
Tangible assets											
1 Computers	1,831,685	238,507	–	2,070,192	1,261,168	430,828	–	48,184	1,740,180	330,012	570,518
2 Office Equipments	1,414,114	–	–	1,414,114	837,725	213,109	–	115,561	1,166,395	247,719	576,389
3 Vehicles	4,312,080	–	3,545,562	766,518	2,379,024	425,384	2,549,542	–	254,866	511,652	1,933,056
4 Furniture	2,171,658	–	–	2,171,658	870,837	433,267	–	–	1,304,104	867,554	1,300,821
5 Lease Hold Improvement	351,630	–	–	351,630	351,630	–	–	–	351,630	–	–
6 Renovation to Office Premises	9,931,758	–	–	9,931,758	4,038,363	1,962,673	–	–	6,001,036	3,930,722	5,893,395
Intangible assets											
1 Computer Software	376,025	–	–	376,025	195,566	75,205	–	–	270,771	105,254	180,459
Total	20,388,950	238,507	3,545,562	17,081,895	9,934,313	3,540,465	2,549,542	163,745	11,088,981	5,992,914	10,454,638

NOTES TO FINANCIAL STATEMENT

Note 8 : Non-Current Investments - At cost (Non Trade)

Sr. No.	Particulars	Subsidiary/ Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extend of Holding %		Amount (In ₹)	
			31-Mar-16	31-Mar-15			31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
(A)	Investment in Equity Instruments									
	India Business Excellence Management Co	Subsidiary	40,000	40,000	Unquoted	Fully paid	100.00%	100.00%	5,783,343	5,783,343
	Motilal Oswal Real Estate Investment Advisors Private Limited	Subsidiary	89,999	89,999	Unquoted	Fully paid	89.00%	89.00%	899,990	899,990
	Shubham Housing Development Finance Co Pvt Ltd	Others	15	15	Unquoted	Fully paid			12,663	12,663
	Aspire Home Finance Corporation Limited	Fellow Subsidiary	1	-	Unquoted	Fully paid	0.00%	0.00%	10.13	-
	Total (A)								6,696,006	6,695,996
(B)	Investment In Preference Instruments									
	Motilal Oswal Real Estate Investment Advisors II Private Limited	Subsidiary	4,950,000	4,950,000	Unquoted	Fully paid	100.00%	100.00%	49,500,000	49,500,000
	Total (B)								49,500,000	49,500,000
(C)	Investment in LLP									
	India Realty Excellence Fund II LLP	Associate	2,000	2,000	Unquoted	Fully paid	4.00%	4.00%	189,463,200	123,050,250
	Total (C)								189,463,200	123,050,250
	Investment in Private Equity Funds									
(D)	Investment in Private Equity Funds									
	India Realty Excellence Fund	Others (PE Fund)	200	200	Unquoted	Fully paid-up	6.13%	6.13%	33,507,984	35,270,024
	India Business Excellence Fund II	Others (PE Fund)	135,500	135,500	Unquoted	Partly paid-up	3.99%	3.99%	84,306,709	53,819,209
	Total (D)								117,814,693	89,089,233
	Total (A+B+C+D)								363,473,899	268,335,479

Note 9 : Deferred tax Assets

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Deffered Taxes Assets:		
Interest on late payment of call money	598,914	598,914
Grauity provision	360,418	1,397,561
Accrued Income on investments in units of private equity funds.	1,554,486	1,134,978
Capital Gain on IREF	652,297	652,297
Total (I)	3,166,115	3,783,750
Deffered Taxes Liability:		
Fixed Assets	623,051	(1,080,978)
Total (II)	623,051	(1,080,978)
TOTAL (I) - (II)	2,543,063	4,864,728

Note 10 : Long Term Loans & Advances

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Unsecured, considered good		
Other loans and advances		
Rent Deposit	4,601,430	4,601,430
Advance Tax (Net of Provisions of Income Tax ₹14,35,83,848, PY ₹ 73,563,760)	36,789,787	17,701,923
Prepaid Exp	-	78,849
TOTAL	41,391,217	22,382,202

NOTES TO FINANCIAL STATEMENT

Note 11 : Trade Receivables

Unsecured Considered Good

Debts Outstanding for a period exceeding six months (US)

Other debts

TOTAL

As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
–	57,679
3,448,230	85,541,193
3,448,230	85,598,872

Note 12 : Cash and Bank Balances

Cash on hand

Balances with Bank

In Current Account

TOTAL

As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
392,888	461,381
114,918,092	27,638,953
115,310,979	28,100,334

Note 13 : Short Term Loans & Advances

Others (Unsecured, considered good)

Loan and advance to Related Party (Unsecured, Considered Good)

Motilal Oswal Real Estate Investment Advisors II Private Limited

Prepaid Expense

Service tax credit receivable

Loan and Advances to employees

Others

TOTAL

As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
50015862	–
759,935	1,585,830
1,525,978	1,357,279
10,566,017	–
2,537,258	30,084
65,405,049	2,973,193

Note 14 : Income From Operations

Sale of Services

Advisory Fees

Management Fees

Profit on sale of Investment

For the Year Ended 31-Mar-16 In ₹	For the Year Ended 31-Mar-15 In ₹
118,342,987	121,785,636
94,034,427	107,911,351
5,979,058	15,162,976

NOTES TO FINANCIAL STATEMENT

	For the Year Ended 31-Mar-16 In ₹	For the Year Ended 31-Mar-15 In ₹
Recovery of Out of Pocket Expenses.	1,089,085	1,497,715
TOTAL	219,445,558	246,357,678

Note 15 : Other Income

	For the Year Ended 31-Mar-16 In ₹	For the Year Ended 31-Mar-15 In ₹
Interest Income	20,560	2,171
Dividend Income	-	127,257
Other Non Opertaing Income		
Profit on Sale of Fixed Assets	3,983	(87,810)
Partnership gain	27,208,769	5,532,515
Miscellaneous Income	2,928,598	2,928,420
TOTAL	30,161,910	8,502,553

Note 16 : Employee Benefit

	For the Year Ended 31-Mar-16 In ₹	For the Year Ended 31-Mar-15 In ₹
Salary, Bonus And Allowances	90,444,607	91,254,915
Contribution To Provident & Other Funds	1,633,352	1,654,796
Staff Welfare Expenses	1,744,211	1,436,731
Gratuity (Refer Note 33)	825,870	1,090,094
TOTAL	94,648,040	95,436,536

Note 17 :Finance Cost

NOTES TO FINANCIAL STATEMENT

	For the Year Ended 31-Mar-16 In ₹	For the Year Ended 31-Mar-15 In ₹
Interest Cost	3,113,978	2,598,044
TOTAL	3,113,978	2,598,044

Note 18 : Other Expenses

	For the Year Ended 31-Mar-16 In ₹	For the Year Ended 31-Mar-15 In ₹
Referral fee	4,798,858	4,235,541
Rates and taxes	7,506	7,474
Rent	9,218,199	9,202,860
Insurance	300,306	293,387
Computer Repairs & Maintenance	62,097	37,685
Legal & Professional Charges	13,589,549	8,914,587
Remuneration to Auditors (Refer Note 24)	445,641	130,000
Marketing & Brand Promotion Expenses	1,945,296	1,094,003
Printing & Stationery	787,277	443,502
Power and fuel	1,549,447	1,754,132
Communication Expenses	503,120	563,146
Travelling Expenses	7,678,601	7,517,067
Miscellaneous Expenses	4,782,196	4,029,910
CSR Donation	4,985,000	2,060,000
TOTAL	50,653,093	40,283,294

Note 19 : Prior Period Item

	For the Year Ended 31-Mar-16 In ₹	For the Year Ended 31-Mar-15 In ₹
Advisory Fees	406,483	-
TOTAL	406,483	-

Note 20 : Nature of Business

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 & facilitation services and identifying investment opportunities etc. The Company holds license of Investment Advisor issued by SEBI, Reg. No. for same is INA000000508 date of registration is 12th December 2013.

Note 21 : Significant Accounting Policies:

21.1 Basis of Preparation of Financial Statements:

The financial statements of the Company are prepared under the historical cost convention, on the accrual basis of accounting

NOTES TO FINANCIAL STATEMENT

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 and the provisions of the Companies Act, 2013.

The accounting policies have been consistently applied by the Company and except for the changes, if any, in accounting policy discussed below, are consistent with those used in the previous year.

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.

21.2 Use of Estimates:

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

21.3 Fixed Assets & Depreciation:

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

Improvements to leasehold premises are depreciated over the remaining 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.

22.2 Borrowing Cost:

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

21.5 Impairment of Assets:

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

21.6 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.

NOTES TO FINANCIAL STATEMENT

21.7 Revenue Recognition:

- a) Management & Advisory Fees are accounted on accrual basis net of service tax in accordance with the terms of contracts entered into between the Company and the counter party.
- b) Interest income is recognized on accrual basis.
- c) Dividend income is recognized when the right to receive payment is established.
- d) 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.
- e) Profit and Loss from Partnership firm are accounted on accrual basis and as per terms of Partnership LLP agreement dated 29th January 2014, entered between IREF II LLP, Motilal Oswal Real Estate Investment Advisors Private Limited & Motilal Oswal Securities Limited.
- f) In respect of other heads of income, the Company accounts the same on accrual basis.

21.8 Foreign Currency Transactions:

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognized in the Statement of Profit and Loss 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 recognized in the Statement of Profit and Loss and related assets and liabilities are accordingly restated in the balance.

21.9 Employee Benefits:

Provident Fund:

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

Gratuity:

Gratuity is post employment benefit and is in the nature of Defined Benefit Plan. The Liability recognized in the balance sheet in respect of gratuity is the present value of defined benefit obligation at the balance sheet date together with the adjustments for unrecognized actuarial gain or losses and the past service costs. The defined benefit obligation is calculated at or near the balance sheet date by an independent actuary using the projected unit credit method. 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.

21.10 Taxation:

Tax expenses 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:

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 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 recognized only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realisation

NOTES TO FINANCIAL STATEMENT

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.

21.11 Provisions and Contingencies:

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

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

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

22.12 Leases:

Where the Company is Lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Where the Company is Lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. The Company recognizes lease rentals from the property leased out, on accrual basis as per the terms of agreements entered with the counter parties. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss.

Note 23 : Earnings per share

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Net Profit attributable to equity shareholders [A] (₹)	59,231,327	73,956,663
Weighted Average number of equity shares issued [B]	58,825	58,825
Basic/Diluted Earnings per share (EPS) (face value ₹ 10/- each)[A/B] (₹)	<u>1006.91</u>	<u>1257.23</u>

Note 24 : Auditor's Remuneration:

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
As Auditors:		
Audit Fees	330,000	80,000
Tax Audit Fees	60,000	50,000
In any other capacity, In respect of :		
Certification	50,000	—
Out of pocket expenditure	4,491	—
TOTAL	<u>444,491</u>	<u>130,000</u>

Note 25 :

NOTES TO FINANCIAL STATEMENT

Provisions made for the period ended 31st March, 2016 comprises of:

In ₹

Particulars	Opening balance as at 01-Apr-2015	Provided during the F.Y. 2015-16	Provision reversed/ paid during the F.Y. 2015-16	Closing balance as at 31-Mar-2016
Ex-gratia	40,790,000	39,175,000	41,290,000	38,675,000
Gratuity	4,111,684	825,870	1,144,229	3,793,325
Compensated Absences	187,644	375,793	187,644	375,793

Provisions made for the period ended 31st March, 2015 comprises of:

In ₹

Particulars	Opening balance as at 01-Apr-2014	Provided during the F.Y. 2014-15	Provision reversed paid during the F.Y. 2014-15	Closing balance as at 31-Mar-2015
Ex-gratia	79,200,000	44,961,355	83,371,355	40,790,000
Gratuity	4,230,870	625,044	744,230	4,111,684
Compensated Absences	218,014	9,109,115	9,139,485	187,644

Note 26 : Dues to micro and small enterprises

To the extent information is available with the Company; there are no dues payable to any parties identified as Micro and Small Enterprises as per The Micro, Small and Medium Enterprises Development Act, 2006.

Note 27 :

In the opinion of the Board of Directors, all fixed assets, 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 and provision for all known and determined liabilities have been made.

Note 28 : Segment Information:

Since the Company is engaged in single segment i.e. asset management and advisory services, thus there are no separate reportable segment as required under Accounting Standard – 17.

Note 29 : Activity in Foreign Currency

Particulars	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Earnings in foreign currency		
Performance incentive	–	35,491,965
TOTAL	–	35,491,965
Expenditure in foreign currency (on accrual basis)		
Overseas travel expenses	1,016,455	1,344,453
Meeting and Events	222,720	–
TOTAL	1,239,175	1,344,453

Note 30 : Contingent Liabilities and Commitments to the extent not provided for :

NOTES TO FINANCIAL STATEMENT

Particulars	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Contingent Liabilities:		
(a) Demand in respect of Income tax matters for which appeal is pending (Refer note a)		13,429,588
Capital Commitments:		
(i) Estimated amount of contracts remaining to be executed on capital account	–	46,725
(ii) Uncalled Liability on shares and other investments partly paid:		
(1) India Business Excellence Fund II	50,812,500	108,400,000
(1) India Realty Excellence Fund II	21,573,453	80,000,241
(a) Demand in respect of Income Tax matters for which appeal is pending is ₹ 1,36,11,562 (Previous Year ₹ 1,34,29,588). Out of which ₹ 1,31,75,602 (Previous Year 1,31,75,602) is on account of rectification filed u/s 154 with income tax department. 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 as the same depends on the outcome of the demand.		

The Company is contesting the demands and the management, including its tax advisors, believes that its position will likely be upheld in the appellat process. No tax expenses has been accrued in the financial statement for the tax demand raised. The management believes that ultimate outcome of this proceeding will not have a material adverse effect on the Company's Financial Position and Results of Operations.

Note 31 : Operating Lease

Company as Lessee :

Lease Payments

During the year, ₹ 92,18,199 (Previous year ₹ 92,02,860) has been recognised as Lease Payments in the statement of Profit and Loss under the head "Other Expense"

General description of lease terms: -

- Lease rentals are charged on the basis of agreed terms.
- Assets are taken on lease for a period of 5 years.
- Lease agreements are cancellable and there is no escalation clause

Company as Lessor :

Sub Lease Rent Income

During the year, ₹ 29,28,420 (Previous year ₹ 29,28,420) has been recognised as Sub Lease Rent Income in the statement of Profit and Loss under the head "Other Income"

General description of Sub lease terms: -

- Sub Lease rentals are charged on the basis of agreed terms.
- Assets are given on lease for a period of 3 year.
- Lease agreements are cancellable and there is no escalation clause

Note 32 : List of Related Parties and Transactions during the year

(i) Relationships during the year

Ultimate Holding Company

- Passionate Investment Management Private Limited

Holding Company

- Motilal Oswal Financial Services Limited

Subsidiaries and Step-down subsidiaries

- Motilal Oswal Real Estate Investment Advisors Private Limited
- India Business Excellence Management Company

NOTES TO FINANCIAL STATEMENT

- Motilal Oswal Real Estate Investment Advisors II Private Limited

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 Asset Management Company Limited
- Motilal Oswal Investment Advisory 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 Markets (Singapore) Pte. Limited
- Aspire Home Finance Corporation Limited
- Motilal Oswal Asset Management (Mauritius) Private Limited
- Nagori Agro & Cattle Feeds Private Limited
- VISU Associates
- OSAG Enterprises LLP

Associate

- India Reality Excellence Fund II LLP

Key management personnel

- Motilal Oswal Director
- Raamdeo Agarawal – Chairman

Enterprises in which key management personnel exercise significant influence

- Motilal Oswal Foundation (Trust)

(ii) Transactions with related parties: 31-March-2016

(In ₹)

Transaction	Name of the related Party	Holding Company		Fellow Subsidiaries		Subsidiaries / Step-down subsidiaries		Enterprise in which Key managerial Personnel exercise significant influence		Associate		Total	
		2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
Referral Fees Paid	Motilal Oswal Securities Limited	-	-	277,314	-	-	-	-	-	-	-	277,314	-
	Motilal Oswal Wealth Management Pvt Ltd	-	-	3,858,099	3,105,000	-	-	-	-	-	-	3,858,099	3,105,000
Total Referral Fees Paid				4,135,413	3,105,000							4,135,413	3,105,000
Profit From IREF II LLP (Partnership Firm)	India Reality Excellence Fund II LLP	-	-	-	-	-	-	-	-	27,208,769	5,532,515	27,208,769	5,532,515
Total Profit From IREF II LLP										27,208,769	5,532,515	27,208,769	5,532,515
Brokerage Sharing Income	Motilal Oswal Wealth Management Pvt Ltd	-	-	(58,721)	-	-	-	-	-	-	-	(58,721)	-
Total Brokerage Sharing				(58,721)								(58,721)	
Capital Contribution	India Reality Excellence Fund II LLP									80,000,241	120,732,515	80,000,241	120,732,515
Total Capital Contributed										80,000,241	120,732,515	80,000,241	120,732,515
Capital Contribution Received	India Reality Excellence Fund II LLP									21,573,453	138,183,083	21,573,453	138,183,083
Total Capital Contribution Received										21,573,453	138,183,083	21,573,453	138,183,083
Advisory fees (Income)	India Business Excellence Management Company	-	-	-	-	(114,879,919)	(112,904,935)	-	-	-	-	(114,879,919)	(112,904,935)
	Motilal Oswal Securities Limited	-	-		(4,079,751)	-	-	-	-	-	-	-	(4,079,751)

NOTES TO FINANCIAL STATEMENT

Transaction	Name of the related Party	Holding Company		Fellow Subsidiaries		Subsidiaries / Step-down subsidiaries		Enterprise in which Key managerial Personnel exercise significant influence		Associate		Total	
		2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
Total Income From Advisory Fees		-	-	-	(4,079,751)	(114,879,919)	(112,904,935)	-	-	-	-	(114,879,919)	(116,984,686)
Interest Expense	Motilal Oswal Financial Services Limited	3,113,978	2,598,044	-	-	-	-	-	-	-	-	3,113,978	2,598,044
Total Interest Expense		3,113,978	2,598,044	-	-	-	-	-	-	-	-	3,113,978	2,598,044
Interest (Income)	Motilal Oswal Real Estate Investment Advisors II Private Limited	-	-	-	-	(17,623)	-	-	-	-	-	(17,623)	-
Total Interest (Income)		-	-	-	-	(17,623)	-	-	-	-	-	(17,623)	-
Rent (Income) and Expense	Motilal Oswal Real Estate Investment Advisors II Pvt Ltd.	-	-	-	-	(2,928,420)	(2,928,420)	-	-	-	-	(2,928,420)	(2,928,420)
	Motilal Oswal Financial Services Limited	9,202,872	9,202,860	-	-	-	-	-	-	-	-	9,202,872	9,202,860
Total Rent Expense		9,202,872	9,202,860	-	-	-	-	-	-	-	-	9,202,872	9,202,860
Total Rent (Income)		-	-	-	-	(2,928,420)	(2,928,420)	-	-	-	-	(2,928,420)	(2,928,420)
Reimbursement of expense	Motilal Oswal Financial Services Limited	2,139,803	2,943,981	-	-	-	-	-	-	-	-	2,139,803	2,943,981
	Motilal Oswal Real Estate Investment Advisors II Pvt Ltd.	-	-	-	-	-	262,127	-	-	-	-	-	262,127
Total Reimbursement of Expense Paid		2,139,803	2,943,981	-	-	-	262,127	-	-	-	-	2,139,803	3,206,108
Total Reimbursement of Expense Received		-	-	-	-	-	-	-	-	-	-	-	-
Donation	Motilal Oswal Foundation (Trust)	-	-	-	-	-	-	2,620,000	2,060,000	-	-	2,620,000	2,060,000
Total Donation		-	-	-	-	-	-	2,620,000	2,060,000	-	-	2,620,000	2,060,000
Loan Taken	Motilal Oswal Financial Services Limited	194,572,200	340,932,448	-	-	-	-	-	-	-	-	194,572,200	340,932,448
Repayment of Loan	Motilal Oswal Financial Services Limited	195,206,450	343,292,302	-	-	-	-	-	-	-	-	195,206,450	343,292,302
Loan taken (Maximum balance)	Motilal Oswal Financial Services Limited	(99,137,650)	(108,985,859)	-	-	-	-	-	-	-	-	(99,137,650)	(108,985,859)
	Motilal Oswal Real Estate Investment Advisors II Pvt Ltd.	-	-	-	-	50,015,861	-	-	-	-	-	50,015,861	-
Outstanding Balances:													
Loan/Other (Payables)	Motilal Oswal Financial Services Limited	(674,135)	(634,250)	-	-	-	-	-	-	-	-	(674,135)	(634,250)
	Motilal Oswal Securities Limited	-	-	(289,794)	-	-	-	-	-	-	-	(289,794)	-
	Motilal Oswal Wealth Management Pvt Ltd	-	-	(4,031,713)	-	-	-	-	-	-	-	(4,031,713)	-
Total Loan / Other (Payable)		(674,135)	(634,250)	(4,321,507)	-	-	-	-	-	-	-	(4,995,642)	(634,250)
Rent Deposit Receivable	Motilal Oswal Financial Services Limited	4,601,430	4,601,430	-	-	-	-	-	-	-	-	4,601,430	4,601,430
Total Rent Deposit Receivable		4,601,430	4,601,430	-	-	-	-	-	-	-	-	4,601,430	4,601,430
	Motilal Oswal Wealth Management Pvt Ltd	-	-	61,363	-	-	-	-	-	-	-	61,363	-
	Motilal Oswal Real Estate Investment Advisors Pvt Ltd	-	-	-	-	-	-	-	-	-	-	-	-
	India Business Excellence Management Company	-	-	-	-	(122,521,299)	15,927,114	-	-	-	-	(122,521,299)	15,927,114
	Motilal Oswal Real Estate Investment Advisors II Pvt Ltd.	-	-	-	-	50,015,861	-	-	-	-	-	50,015,861	-
Total Other Receivables		-	-	61,363	-	(72,505,438)	15,927,114	-	-	-	-	(72,444,075)	15,927,114
Employee Stock Option exercised to the employees of company(In No)	Motilal Oswal Financial Services Limited	4,000	15,500	-	-	-	-	-	-	-	-	4,000	15,500
Total Employee Stock Option exercised		4,000	15,500	-	-	-	-	-	-	-	-	4,000	15,500
Employee Stock Option Outstanding At the end of year	Motilal Oswal Financial Services Limited	-	4,000	-	-	-	-	-	-	-	-	-	4,000
Total Employee Stock Option Outstanding At the end of year		-	4,000	-	-	-	-	-	-	-	-	-	4,000

NOTES TO FINANCIAL STATEMENT

Transaction	Name of the related Party	Holding Company		Fellow Subsidiaries		Subsidiaries / Step-down subsidiaries		Enterprise in which Key managerial Personnel exercise significant influence		Associate		Total	
		2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
Maximum Outstanding in respect of Investment in related parties													
Investment	India Books Ex. Mg. Co.					5,783,343						5,783,343	
	Motilal Oswal Real Estate Investment Advisors Pvt Ltd					897,990						897,990	
	Aspire Home Finance Corporation Limited					10.13						10.13	
	Motilal Oswal Real Estate Investment Advisors II Pvt Ltd.					4,950,000						4,950,000	
	India Reality Excellence Fund II LLP					189,463,200						189,463,200	

Note : All Loans referred above are repayable on demand

Note 33: The following table set out the gratuity plan as required under AS 15.

Employee Benefit Disclosure

(a) Defined Contribution Plan

Employer Contribution to Provident Fund	31-Mar-16 1,633,352	31-Mar-15 1,654,796
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(b) Defined Benefit Plan

	31-Mar-16	31-Mar-15
I Assumptions as at		
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest / Discount Rate	7.49%	7.77%
Rate of increase in compensation	10.00%	13.00%
Rate of return (expected) on plan assets		
Employee Attrition Rate(Past Service (PS))	PS: 0 to 37 : 15.52%	PS: 0 to 37 : 15.87%
Expected average remaining service	5.18	5.06
II Changes in present value of obligations		
PVO at beginning of period	4,111,684	4,230,870
Interest cost	275,025	337,641
Current Service Cost	532,482	717,440
Past Service Cost(non vested benefits)	-	-
Past Service Cost -(vested benefits)	-	-
Benefits Paid	(1,144,229)	(744,230)
Actuarial (Gain)/Loss on obligation	18,363	(430,037)
PVO at end of period	3,793,325	4,111,684
III Changes in fair value of plan assets		
Fair Value of Plan Assets at beginning of period	-	-
Expected Return on Plan Assets	-	-
Contributions	1,144,229	744,230
Benefit Paid	(1,144,229)	(744,230)
Actuarial Gain/(Loss) on plan assets	-	-
Fair Value of Plan Assets at end of period	-	-
IV Fair Value of Plan Assets		

NOTES TO FINANCIAL STATEMENT

				31-Mar-16	31-Mar-15
	Fair Value of Plan Assets at beginning of period			-	-
	Actual Return on Plan Assets			-	-
	Contributions			1,144,229	744,230
	Benefit Paid			(1,144,229)	(744,230)
	Fair Value of Plan Assets at end of period			-	-
	Funded Status (including unrecognised past service cost)			(3,793,325)	(4,111,684)
	Excess of actual over estimated return on Plan Assets			-	-
V	Experience History	31-Mar-16	31-Mar-15	31-Mar-15	31-Mar-15
	PVO at end of period	3,793,325	4,111,684	4,230,870	4,722,562
	Fair Value of Plan Assets at end of period	-	-	-	(72,109)
	Surplus / (Deficit)	(3,793,325)	(4,111,684)	(4,230,870)	(3,173,662)
	(Gain)/Loss on obligation due to change in Assumption	(146,279)	462,267	(916,988)	421,696
	Experience (Gain)/ Loss on obligation	164,642	(892,304)	41,281	(594,714)
	Actuarial Gain/(Loss) on plan assets	-	-	-	-
VI	Actuarial Gain/(Loss) Recognized				
	Actuarial Gain/(Loss) for the period (Obligation)			(18,363)	430,037
	Actuarial Gain/(Loss) for the period (Plan Assets)			-	-
	Total Gain/(Loss) for the period			(18,363)	430,037
	Actuarial Gain/(Loss) recognized for the period			(18,363)	430,037
	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 Costnon vested benefits			-	-
	Recognised Past service Costvested benefits			-	-
	Unrecognised Past Service Costnon vested benefits			-	-
VIII	Amounts to be recognized in the balance sheet and Statement of Profit & Loss				
	PVO at end of period			3,793,325	4,111,684
	Fair Value of Plan Assets at end of period			-	-
	Funded Status			(3,793,325)	(4,111,684)
	Unrecognized Actuarial Gain/(Loss)			-	-
	Unrecognised Past Service Costnon vested benefits			-	-
	Net Asset/(Liability) recognized in the balance sheet			(3,793,325)	(4,111,684)
IX	Expense recognized in the statement of P & L				
	Current Service Cost			532,482	717,440
	Interest cost			275,025	337,641
	Past Service Cost(non vested benefits)			-	-
	past Service Cost "(vested benefits)			-	-
	Unrecognised Past Service Costnon vested benefits			-	-
	Expected Return on Plan Assets			-	-
	Net Actuarial (Gain)/Loss recognized for the period			18,363	(430,037)
	Expense recognized in the statement of P & L			825,870	625,044
X	Movements in the Liability recognized in Balance Sheet				
	Opening Net Liability			4,111,684	4,230,870

NOTES TO FINANCIAL STATEMENT

	31-Mar-16	31-Mar-15
Expenses as above	825,870	625,044
Contribution paid	(1,144,229)	(744,230)
Closing Net Liability	3,793,325	4,111,684
XI Schedule III of Companies Act, 2013		
Current Liability	761,573	792,267
Non-Current Liability	3,031,752	3,319,417

Note 34 : 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 ₹ 2,620,000 (Previous year : 2,060,000)
 b) Amount spent during the period ended 31st March, 2016 on :

Particulars	Amount paid	Yet to be paid	Total
a) Construction/acquisition of any asset			
b) on Purposes other than (a) above	4,985,000	–	4,985,000
Total	4,985,000	–	4,985,000

Amount spent during the period ended 31st March, 2015 on :

Particulars	Amount paid	Yet to be paid	Total
a) Construction/acquisition of any asset	–	–	–
b) on Purposes other than (a) above	2,060,000	–	2,060,000
Total	2,060,000	–	2,060,000

- c) Above includes a contribution of ₹ 2,620,000 (Previous Year ₹ 2,060,000) to Motilal Oswal Foundation which is classified as related Party under Accounting Standard - 18 : "Related Party Disclosure"
 d) The Company does not carry any provisions for Corporate Social Responsibility expenses for Current Year and Previous Year

Note 35 :

The cost incurred by Motilal Oswal Financial Services Limited for issuing ESOP to employees of the company is ₹ Nil.

Note 36 :

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

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No 103523W

Amit A. Hundia

Partner

Membership No. 120761

Place : Mumbai

Dated : 23rd April, 2016

For and on behalf of the Board of

MOPE Investment Advisors Private Limited

Motilal Oswal

Director

DIN No. 00024503

Raamdeo Agarawal

Chairman

DIN No. 00024533

Motilal Oswal Capital Markets Private Limited

Annual Report 2015-2016

BOARD'S REPORT

To the Members,

Your Directors have pleasure in presenting their 9th Annual Report together with the audited Financial Statement of your Company for the year ended 31st March, 2016.

Financial Highlights

A summary of the financial performance of the Company for the financial year ended on 31st March, 2016 is given below:

Amount (₹)

Particulars	Financial Year Ended 31st March, 2016	Financial Year Ended 31st March, 2015
Revenue	36,000,023	2,379,081
Profit before Interest, Depreciation & Taxation	15,654,232	1,801,249
Interest Paid	22,341	3,307
Depreciation	–	–
Profit / (Loss) before Taxation and exceptional item	15,631,891	1,797,942
Less: Provision for Taxation		
Current Tax	4,879,299	228,385
Deferred Tax	–	–
Tax for earlier year(s)	–	–
Profit / (Loss) for the year	10,752,592	15,69,557
Balance Profit / (Loss) brought Forward	–	–
Less: Transfer to General Reserve	–	–
Less: Transitional Depreciation	–	–
Balance Profit / (Loss) carried Forward	10,752,592	15,69,557

Review of Operations and Future Outlook

During the financial year 2014-15, your Company had set up Motilal Oswal School of Trading & Investing Research (STIR), with an aim to empower investors & traders to approach the stock market with Solid Knowledge, Solid Education and Solid Technology. STIR provides an innovative and personalized coaching model and solid knowledge is imparted which is a key to successful investment and trading decisions which helps the participants to develop professional skills to attain desired financial goals. Through the series of Interactive workshops, Trading Labs, Advanced Learning and personalized counseling on Investment & Trading, STIR provides an innovative personalized coaching model that is unique and useful. During the year, approximately 500+ participants were enrolled & around 400+ participants received the training. This was the first full year of the business & in the first year itself, the business is in profits & excellent client satisfaction has been achieved. Clients have seen terrific value in the content & delivery. We have also seen that as a result of the training, the activities of the clients as well as the number of clients participation in market activities has also increased. With the model now firmly in place, we are looking at aggressive growth in the coming years as well as are focusing on adding more courses for education such as Fundamental & Futures & Options.

During the year ended 31st March, 2016, the revenue of the Company increased from ₹ 2.38 million to ₹ 36.00 million representing a growth of 1413.19%. The profit of the Company after tax is ₹ 10.75 million as compared to ₹ 1.57 million in the previous financial year representing growth of 585%.

Change in Nature of Business

During the year under review, the Company proposed to undertake a new business activity of "Real Estate Advisory Services" in addition to its existing business activity and accordingly altered its object clause by adding the new object in addition to the existing objects.

Dividend and Reserves

Your Directors have not recommended payment of dividend for the Financial Year 2015-16 with a view to conserve the resources of the Company for the expansion of the operations of the Company.

During the year under review, the Company did not transfer any amount to Reserves.

Share Capital

The issued and paid-up share capital of the Company as on 31st March, 2016 is ₹ 12,500,000/- divided into 350,000 Equity Shares of ₹ 10/- each and 900,000 Preference Shares of ₹ 10/- each.

Deposits and Loans / Advances

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

The Company has not made any loans / advances which is required to be disclosed in the annual accounts of the Company pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Subsidiaries / Joint Ventures / Associate Companies

The Company does not have any Subsidiary Companies, Joint Ventures and Associate Companies as on 31st March, 2016.

Directors and Key Managerial Personnel

During the year, there was no appointment or resignation of Directors(s).

Mr. Navin Agrawal, Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible has offered himself for re-appointment.

Number of Board Meetings

The Board meets at regular intervals to discuss and decide on the Company / business policy and strategy apart from other Board business. During the year under review, four Board Meetings were held and the interval between any two meetings was not more than 120 days. The status of attendance of Directors at these Board Meetings are as follows:

Name of the Director	Designation	Director Identification Number	Meetings attended in Financial Year
Mr. Ajay Menon	Director	00024589	4
Mr. Rajesh Dharamshi	Director	01415232	4
Mr. Navin Agarwal	Director	00024561	4
Total meetings held during the year			4

Business Risk Management

The organization realizes the importance of Enterprise Risk Management (ERM) framework and had taken early initiatives towards its implementation of business risk management policy. The organization has introduced several improvements to the business risk management policy.

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

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

Internal Financial Controls

The Company has in place adequate Internal Financial Control systems with reference to financial statements. During the year under review, no material or serious observation has been received from the Auditors of the Company for inefficiency or inadequacy of such controls.

Loans, Guarantees and Investments

During the year under review, there were no loans and guarantees given by the Company as well as no investments was made by the Company.

BOARD'S REPORT (Contd..)

Related Party Transactions

All related party transactions that were entered into during the financial year were at arm's length basis and in the ordinary course of business.

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

Statutory Auditors

Your Company had appointed M/s Haribhakti & Co. LLP, as Statutory Auditors for the term of five years at the Annual General Meeting held on 30th September, 2014. In compliance with the provisions of Section 139 of the Companies Act, 2013, the appointment of the auditors is to be ratified by the members at every Annual General Meeting. M/s Haribhakti & Co. LLP, Chartered Accountant (ICAI Firm Registration No. 103523W) have given their consent for re-appointment. The members are requested to ratify the appointment of Auditors and fix their remuneration.

There was no qualifications, reservations, adverse remarks or disclaimers in the report of Statutory Auditors of the Company nor any frauds were reported by the Auditor under section 143(12) of the Companies Act, 2013.

Particulars of Employees as required under section 197 of the Companies Act, 2013 and rules framed there under

The Company had no employee who was in receipt of remuneration of not less than ₹ 60,00,000 during the year ended 31st March, 2016 or not less than ₹ 5,00,000 per month during any part of the said year.

Change of Situation of Registered Office of the Company within city limits

During the financial year 2015-16, your Company has shifted its registered office for operational convenience from Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad-West, Mumbai - 400064 to Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai - 400025 with effect from 15th March, 2016.

Directors' Responsibility Statement

Pursuant to section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the Profit and Loss of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis; and
- (v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and the systems were adequate and operating effectively.

Extract of Annual Return

The Extract of Annual Return in Form MGT-9 under Section 92(3) and Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed herewith to this report as "Annexure 2".

Significant and Material Orders

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

Policy on Prevention of Sexual Harassment of Women at Workplace

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees.

The Company is committed to provide an environment, which is free of discrimination, intimidation and abuse. The Company believes that it is the responsibility of the organisation to protect the integrity and dignity of its women employees and also to avoid conflicts and disruptions in the work environment due to such cases. The Company has put in place a 'Policy against Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy, any women employee may report her complaint to the Redressal Committee formed for this purpose. We affirm that adequate access was provided to any complainant who wish to register a complaint under the policy. There were no complaints received by the Company, during the FY 2015-16.

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

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

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

Mandatory disclosures in the Boards' Report

Following mandatory disclosures in the Boards' Report pursuant to the provisions of the Companies Act, 2013 are not applicable to the Company:

- Section 134(3)(d) - A statement on declaration given by independent directors under sub-section (7) of section 149;
- Section 134(3)(e) - As per sub-section (1) of section 178, policies on appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178;
- Section 134(3)(f) - Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made by the Company secretary in practice in his secretarial audit report;
- Section 134(3)(l) - Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statement relate and the date of the report;
- Section 135 - Corporate Social Responsibility;
- Section 177 - Audit Committee;
- Section 177(9) - Establishment of Vigil Mechanism;
- Section 178 - Nomination And Remuneration Committee and stakeholders Relationship Committee;
- Section 203 - Appointment of Key Managerial Personnel;
- Section 204 - Secretarial Audit;
- Performance Evaluation of the Board of Directors.

Acknowledgments

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

For and on behalf of the Board of
Motilal Oswal Capital Markets Private Limited

Ajay Menon
Chairman
DIN: 00024589

Place : Mumbai

Date : 23rd April, 2016.

ANNEXURE 1 TO THE BOARD'S REPORT

Form No. AOC-2

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

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

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

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

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

(Amount in ₹)

Sr. No.	Name of the Related Party	Nature of the relationship	Nature of Contract	Duration of Contract	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any
1	Motilal Oswal Securities Limited	Holding Company	Leasing of property	On going	Rent Expenses paid by Motilal Oswal Capital Markets Private Limited to Motilal Oswal Securities Limited	Nil

* Definition of Materiality has been adopted from Regulation 23 of the Listing Regulations, 2015 which states as follows: Transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statement of the Company. Since the Company does not have any subsidiary Company, materiality is decided based on transactions exceeding 10% of the standalone turnover as per the last audited financial statement of the Company.

For and on behalf of the Board of
Motilal Oswal Capital Markets Private Limited

Place : Mumbai
Date : 23rd April, 2016.

Ajay Menon
Chairman
(DIN : 00024589)

ANNEXURE 2 TO THE BOARD'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2016

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

I. Registration and Other Details:

i) CIN	U74140MH2006PTC165469
ii) Registration Date	10th November, 2006
iii) Name of the Company	Motilal Oswal Capital Markets Private Limited
iv) Category / Sub Category of the Company	Public Limited Company
v) Address of the Registered Office and contact details	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025. Tel. No. +91 22 3980 4200
vi) Whether Shares Listed On Recognized Stock Exchange(s)	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

II. Principal Business Activities of the Company

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1	Training Fees	8550	50.38%
2	Brokerage on Property	74901	24.98%
3	Exhibition Fees	8230	21.37%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Motilal Oswal Securities Limited (MOSL)	U65990MH1994PLC079418	Holding	100	2(46)

Note:

1. There are no Subsidiary and Associate Companies of the Company as on 31st March, 2016.
2. Passionate Investment Management Private Limited (PIMPL) is the ultimate holding Company and holds 54.01% shares in Motilal Oswal Financial Services Limited (MOFSL).
3. Motilal Oswal Financial Services Limited (MOFSL) holds 100% shares in Motilal Oswal Securities Limited (MOSL).

ANNEXURE 2 TO THE BOARD'S REPORT

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Bodies Corp	–	350,000	350,000	100	–	350,000	350,000	100	0
Sub-total (A) (1)	–	350,000	350,000	100	–	350,000	350,000	100	0
(2) Foreign	–	–	–	–	–	–	–	–	–
Sub-total (A) (2)	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	–	350,000	350,000	100	–	350,000	350,000	100	0
B. Public Shareholding									
1. Institutions	–	–	–	–	–	–	–	–	–
Sub-total (B)(1)	–	–	–	–	–	–	–	–	–
2. Non-Institutions	–	–	–	–	–	–	–	–	–
Sub-total (B)(2)	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B)=(B)(1)+ (B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
GRAND TOTAL (A+B+C)	–	350,000	350,000	100	–	350,000	350,000	100	0

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	No. of shares	% of the total shares of the company	% of the shares pledged/ encumbered to total shares	% change in shareholding during the year
1	Motilal Oswal Securities Ltd.	349,999	100	–	349,999	100	–	0
2	Motilal Oswal Securities Ltd. Jointly with Mr. Motilal Oswal	1	0	–	1	0	–	0
	Total	350,000	100.00	–	350,000	100.00	–	0

iii) Change in Promoters' Shareholding

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year/ end of the year		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Motilal Oswal Securities Ltd.	349,999	100	01-04-2015	0	Nil movement during the year	349,999	100
		349,999	100	31-03-2016				
2	Motilal Oswal Securities Ltd. Jointly with Mr. Motilal Oswal	1	0	01-04-2015	0	Nil movement during the year	1	0
		1	0	31-03-2016				

ANNEXURE 2 TO THE BOARD'S REPORT

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

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the Beginning of the year		Shareholding at the End of the year		Cumulative Shareholding During the year	
		No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
NIL							

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Designation	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NIL						

V. Indebtedness

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

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				-
• Addition	-	3,600,000	-	3,600,000
• Reduction	-	3,600,000	-	3,600,000
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. Remuneration of Directors And Key Managerial Personnel:

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission as % of profit	-	-
5	Others, please specify Variable Incentives	-	-
	Total (A)	-	-
	Ceiling as per the Act *5% of the net profit calculated as per Section 198		-

ANNEXURE 2 TO THE BOARD'S REPORT

B. Remuneration to other directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors		
	• Fee for attending board / committee meetings	–	–
	• Commission	–	–
	• Others, please specify	–	–
	Total (1)	–	–
2.	Other Non-Executive Directors		
	• Fee for attending board / committee meetings	–	–
	• Commission	–	–
	• Others, please specify	–	–
	Total	–	–

C. Remuneration to key managerial personnel other than MD / Manager / WTD:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	–	–	–
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–	–	–	–
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	–	–	–	–

VII. Penalties / Punishment / Compounding of Offences:

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

For and on behalf of the Board of
Motilal Oswal Capital Markets Private Limited

Place : Mumbai
Date : 23rd April, 2016.

Ajay Menon
Chairman
(DIN : 00024589)

INDEPENDENT AUDITORS' REPORT

To the Members of **MOTILAL OSWAL CAPITAL MARKETS PRIVATE LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of Motilal Oswal Capital Markets Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on 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 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;

INDEPENDENT AUDITORS' REPORT *(Contd..)*

- 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 statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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, we give our separate Report in "Annexure 2".
- 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 financial position;
 - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Amit A. Hundia
Partner
Membership No. 120761

Place : Mumbai
Date : April 23, 2016

INDEPENDENT AUDITORS' REPORT (Contd..)

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Motilal Oswal Capital Markets Private Limited the financial statements for the year ended March 31, 2016]

- (i) As informed, the Company does not have fixed assets. Accordingly, the provisions stated in paragraphs 3 (i)(a), 3(i) (b) and 3(i) (c) of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the central Government of India in terms of Section 143 of the Companies Act, 2013 ("the Act") are not applicable.
- (ii) As informed, the company does not have inventories. Accordingly, the provision stated in paragraph 3 (ii)(a), 3 (ii)(b) and 3 (ii)(c) of the Order are not applicable to the Company.
- (iii) As informed, 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, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) Based on information and explanation given to us, the Company has not made loans, Investments, guarantees and securities under section 185 and section 186 of the Act, therefore paragraph 3(iv) of the Order is not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, cess and any other material statutory dues applicable to it. As explained to us, the provisions regarding sales tax, custom duty, excise duty and value added tax are presently not applicable to the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, custom duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues with respect to income tax, sales tax, service tax, value added tax, custom duty, excise duty, which have not been deposited on account of any dispute.
- (viii) The Company has neither obtained any loan or borrowing from financial institution/bank/government nor issued any debentures. Accordingly, the provision stated in paragraph 3 (viii) of the Order is not applicable.
- (ix) The company has neither raised money by way of public issue offer nor has obtained any term loan. Therefore, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) As informed, the Company has not provided for any managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

(xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Amit A. Hundia
Partner
Membership No. 120761

Place : Mumbai
Date : April 23, 2016

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Motilal Oswal Capital Markets Private Limited on the financial statements for the year ended March 31, 2016

Report on the Internal Financial Controls over Financial Reporting 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 Capital Markets Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements 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 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 specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, 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.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

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 statements 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 statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 March 31, 2016, 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 ICAI.

For **HARIBHAKTI & CO. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W

Amit A. Hundia

Partner

Membership No. 120761

Place : Mumbai

Date : April 23, 2016

BALANCE SHEET

Balance Sheet as at March 31, 2016

	Note No.	As at 31-Mar-16 (In ₹)	As at 31-Mar-15 (In ₹)
I EQUITY AND LIABILITIES			
(A) Share Holder's Funds :			
Share Capital	1	12,500,000	12,500,000
Reserves And Surplus	2	15,511,649	4,759,057
TOTAL (A)		28,011,649	17,259,057
(B) Non Current Liabilities :			
Long Term Provisions	3	113,985	–
TOTAL (B)		113,985	–
(C) Current Liabilities :			
Other Current Liabilities	4	4,495,440	287,443
Short Term Provision	5	908,113	220,056
TOTAL (C)		5,403,553	507,499
TOTAL (A+B+C)		33,529,187	17,766,556
II. ASSETS			
(D) Non Current Assets :			
Long Term Loans and Advances	6	845,609	716,850
TOTAL (D)		845,609	716,850
(E) Current Assets :			
Trade Receivable	7	12,254,254	–
Cash and bank balances	8	18,224,944	17,043,526
Short term loans and advances	9	2,204,380	6,180
TOTAL (E)		32,683,578	17,049,706
TOTAL (D+ E)		33,529,187	17,766,556
Significant accounting polices	16		
Notes forming part of accounts	17 - 26		
Notes referred to above form an integral part of the Financial Statements			

As per our attached report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W

Amit A. Hundia

Partner

Membership No.120761

Place : Mumbai

Dated : 23rd April 2016

For and on behalf of the Board of

Motilal Oswal Capital Markets Private Limited

Rajesh Dharamshi

Director

DIN No: 01415232

Ajay Menon

Director

DIN No: 00024589

STATEMENT OF PROFIT AND LOSS

Statement of Profit and Loss for the year ended 31st March, 2016

	Note No.	For the Year ended 31-Mar-16 (In ₹)	For the Year ended 31-Mar-15 (In ₹)
(A) REVENUE :			
Revenue from operation	10	34,822,203	1,248,127
Other Income	11	1,177,819	1,130,953
TOTAL (A)		36,000,022	2,379,080
(B) EXPENSES :			
Employee benefit Expenses	12	7,723,986	–
Finance Cost	13	22,341	3,307
Other Expenses	14	12,621,804	577,832
TOTAL (B)		20,368,131	581,139
Profit before taxation (C) = (A-B)		15,631,891	1,797,941
Tax Expenses			
For Current Year			
- For Current Tax		4,879,299	228,385
Total Tax Expenses (D)		4,879,299	228,385
Profit after tax expenses (E) = (C-D)		10,752,592	1,569,556
Earnings Per Equity Share (₹)	17		
[Par Value of ₹ 10 (Previous Year ₹ 10) each]			
'Basic		30.72	4.48
'Diluted		30.72	4.48
Significant accounting policies	16		
Notes forming part of accounts	17 - 27		
Notes referred to above form an integral part of the Financials			

As per our attached report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W

Amit A. Hundia

Partner

Membership No.120761

Place : Mumbai

Dated : 23rd April 2016

For and on behalf of the Board of
Motilal Oswal Capital Markets Private Limited

Rajesh Dharamshi

Director

DIN No: 01415232

Ajay Menon

Director

DIN No: 00024589

CASH FLOW STATEMENT

Cash Flow Statement as of 31st March, 2016

Particulars	For the Year ended 31st March, 2016 (In ₹)	For the Year ended 31st March, 2015 (In ₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	15,631,891	1,797,941
Add / (Less) :		
1) Interest Received	–	(28,664)
2) Interest Paid	22,341	–
3) Profit on sale on investment	(1,177,699)	3,307
OPERATING PROFIT	14,476,533	1,772,584
Adjustment For:		
1) Increase In Long Term Provisions	113,985	186,555
2) Increase In Other Current Liabilities	4,207,997	–
3) Increase In Short Term Provisions	908,113	–
4) (Increase) In Long term Loans and advances	–	(716,850)
5) (Increase) In Short Term Loans & Advances	(2,246,863)	(2,709)
6) (Increase) In Trade Receivables	(12,254,254)	–
CASH GENERATED FROM OPERATIONS	5,205,510	1,239,580
Taxes Paid	(5,179,449)	(8,329)
NET CASH GENERATED FROM OPERATING ACTIVITIES	26,061	1,231,251
CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received	–	28,664
sale on investment	1,177,699	–
NET CASH FLOW FROM INVESTING ACTIVITIES	1,177,699	28,664
CASH FLOW FROM FINANCING ACTIVITIES		
Loan Taken	–	138,865
Loan Repaid	–	(139,884)
Interest Expense	(22,341)	(2,288)
NET CASH (USED) FROM FINANCING ACTIVITIES	(22,341)	(3,307)
NET CASH GENERATED FLOW FOR THE YEAR	1,181,420	1,256,608
Cash & Cash Equivalents comprise of		
Scheduled Bank - In Current Account	17,043,526	286,918
Fixed Deposit with Banks	–	15,500,000
Total Cash & Cash Equivalents as at beginning of period	17,043,526	15,786,918
Cash & Cash Equivalents as at end of period :		
Cash on Hand	40,413	–
Scheduled Bank - In Current Account	18,184,531	17,043,526
Cash & Cash Equivalents As At 31.03.2016	18,224,944	17,043,526

As per our attached report of even date

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W

Amit A. Hundia

Partner

Membership No.120761

Place : Mumbai

Dated : 23rd April 2016

For and on behalf of the Board of
Motilal Oswal Capital Markets Private Limited

Rajesh Dharamshi

Director

DIN No: 01415232

Ajay Menon

Director

DIN No: 00024589

NOTES TO FINANCIAL STATEMENT

Note 1 : Share Capital

	As at 31-Mar-16		As at 31-Mar-15	
	Numbers	(In ₹)	Numbers	(In ₹)
Authorised Share Capital :				
Equity Shares of ₹10/- Each	400,000	4,000,000	400,000	4,000,000
7% Non-Cumulative Redeemable Preference Shares of ₹10/- Each	1,100,000	11,000,000	1,100,000	11,000,000
Total	1,500,000	15,000,000	1,500,000	15,000,000
Issued, Subscribed and Paid Up :				
Equity Shares of ₹10/- Each Fully Paid Up (All the above shares are held by hoding company Motilal Oswal Securities Limited)	350,000	3,500,000	350,000	3,500,000
7% Non-Cumulative Redeemable Preference Shares of the face value of ₹ 10 each (All the above shares are held by hoding company Motilal Oswal Securities Limited)	900,000	9,000,000	900,000	9,000,000
TOTAL	1,250,000	12,500,000	1,250,000	12,500,000

Terms And Conditions Attached

1.1 Rights, preferences and restrictions attached to shares

The Company has 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 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.

1.2 Preference Shares :

The Company has one class of 9,00,000(Numbers), 7% Non- cumalative preference shares having a par value of ₹ 10/- aggregating ₹ 90,00,000 as on 31st March, 2016.

1.3 Reconciliation of number of Equity shares outstanding

	As at 31-Mar-16		As at 31-Mar-15	
	Numbers	(In ₹)	Numbers	(In ₹)
Number of share at beginning of the year	350,000	3,500,000	350,000	3,500,000
Add : Issued during the year	-	-	-	-
Number of Share at the end of the year	350,000	3,500,000	350,000	3,500,000

1.4 Reconciliation of number of Preference shares outstanding

Name of Shareholder	As at 31-Mar-16		As at 31-Mar-15	
	Numbers	(In ₹)	Numbers	(In ₹)
Number of share at beginning of the year	900,000	9,000,000	900,000	9,000,000
Add : Issued during the year	-	-	-	-
Number of Share at the end of the year	900,000	9,000,000	900,000	9,000,000

NOTES TO FINANCIAL STATEMENT

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

	As at 31-Mar-16		As at 31-Mar-15	
	No of Shares	% of Holding	No of Shares	% of Holding
Motilal Oswal Securities Limited (Holding Company)	350,000	100	350,000	100
Total	350,000	100	350,000	100

1.6 Share holder having more than 5% preference holding in the Company

	As at 31-Mar-16		As at 31-Mar-15	
	No of Shares	% of Holding	No of Shares	% of Holding
Motilal Oswal Securities Limited (Holding Company)	900,000	100	900,000	100
Total	900,000	100	900,000	100

Note 2: Reserves & Surplus

	As at 31-Mar-16 (In ₹)	As at 31-Mar-15 (In ₹)
Surplus		
Opening balance	4,759,057	3,189,501
Add: Additions during the year	10,752,592	1,569,556
TOTAL	15,511,649	4,759,057

Note 3 : Long Term Provisions

	As at 31-Mar-16 (In ₹)	As at 31-Mar-15 (In ₹)
Provision for Gratuity	113,985	—
Total	113,985	—

Note 4 : Other Current Liabilities

	As at 31-Mar-16 (In ₹)	As at 31-Mar-15 (In ₹)
Income received in advance	873,362	—
For Other liabilities		
Accrued salaries & benefits	50,810	—
Taxes payables	483,468	17,302
Other Payables	3,087,800	270,141
Total	4,495,440	287,443

NOTES TO FINANCIAL STATEMENT

Note 5 : Short Term Provisions

	As at 31-Mar-16 (In ₹)	As at 31-Mar-15 (In ₹)
Provision for Employee Benefits		
Provision for Ex Gratia	801,755	–
Gratuity obligation	477	–
Others		
- Other provisions (includes provision for expenses)	105,881	–
- Provision for Tax (Net of Advance Tax Current year ₹ Nil Previous year ₹ 8329)	–	220,056
Total	908,113	220,056

Note 6 : Long term loans and advances

	As at 31-Mar-16 (In ₹)	As at 31-Mar-15 (In ₹)
Unsecured, considered good		
Capital Advance	48,663	–
Deposit	716,850	716,850
Advance Tax (Net of Provisions of ₹ 48,79,299)	80,096	–
Total	845,609	716,850

Note 7 : Trade Receivable

	As at 31-Mar-16 (In ₹)	As at 31-Mar-15 (In ₹)
Unsecured, considered good:		
Outstanding for a period Less than SIX months from the date they are due for payment	12,254,254	–
Total	12,254,254	–

Note 8 : Cash and Bank Balances

	As at 31-Mar-16 (In ₹)	As at 31-Mar-15 (In ₹)
Cash and cash Equivalent		
Cash in Hand	40,413	–
Bank balances in Current Account	18,184,531	17,043,526
Total	18,224,944	17,043,526

NOTES TO FINANCIAL STATEMENT

Note 9 : Short term loans and advances

	As at 31-Mar-16 (In ₹)	As at 31-Mar-15 (In ₹)
Unsecured, considered good		
Others		
Prepaid Expenses	505,485	–
Deposit	–	–
Service Tax Paid On Expenses	–	6,180
Advance Against Expenses	1,698,895	–
Total	2,204,380	6,180

Note 10 : Revenue from Operations

	For the Year Ended 31-Mar-16 (In ₹)	For the Year Ended 31-Mar-15 (In ₹)
(a) Income From Operations		
Training Fees	18,136,103	1,248,127
Brokerage on Property	8,993,741	–
(b) Other operating revenue		
Exhibition Fees	7,692,359	–
TOTAL	34,822,203	1,248,127

Note 11 : Other income

	For the Year Ended 31-Mar-16 (In ₹)	For the Year Ended 31-Mar-15 (In ₹)
Dividend Income	–	599,385
Interest Income	120	28,664
Miscellaneous Income	–	1,344
Profit on sale of Investment	1,177,699	501,561
TOTAL	1,177,819.38	1,130,953

Note 12 : Employee Benefit

	For the Year Ended 31-Mar-16 (In ₹)	For the Year Ended 31-Mar-15 (In ₹)
Salary, Bonus and Allowances	7,349,905	–
Contribution to provident & other funds	45,576	–
Staff Welfare Expenses	214,043	–
Gratuity (Refer Note No. 25)	114,462	–
TOTAL	7,723,986	–

NOTES TO FINANCIAL STATEMENT

Note 13 : Finance Cost

	For the Year Ended 31-Mar-16 (In ₹)	For the Year Ended 31-Mar-15 (In ₹)
Interest Cost	22,341	3,307
TOTAL	22,341	3,307

Note 14 : Other Expenses

	For the Year Ended 31-Mar-16 (In ₹)	For the Year Ended 31-Mar-15 (In ₹)
Advertisement Expenses	3,815,557	–
Bank Charges	232,964	–
Printing Stationery Expenses	546,251	–
Training Expenses	1,203	–
Audit Fees	253,764	50,000
Legal & Professional Fees	2,030,217	10,477
Rent	1,436,088	380,844
Filing Fees	14,782	–
Miscellaneous Expenses	67,509	11,787
Mobile Charges	19,996	–
Travelling Expenses	160,232	–
Client Entertainment	33,313	–
Referral Fees	122,500	–
Meeting and event expenses	3,222,565	–
Brand Promotion	664,863	–
Membership & Subscription Fees	–	124,724
TOTAL	12,621,804	577,832

Note 15 : Nature of Business

The Company is in business of providing training in Trading & Investing Research and Property Brokerage. The Company has surrendered its license for SEBI registered Trading Member on the Capital Market and Futures & Options segment of the National Stock Exchange of India Ltd. (NSE) having SEBI registration no. INB231331936 (Capital market segment) and INF231331936 (F&O segment) on 3rd February, 2015 which was approved by the NSE on 24th April, 2015.

Note 16 : Significant Accounting Policies:

16.1 Basis of Preparation of Financial Statements:

The financial statements of the Company are prepared under the historical cost convention, on the accrual basis of accounting and comply in all material respects with the generally accepted accounting principles in India, the applicable accounting standards notified under Section 133 of the Companies Act, 2013, 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.

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.

NOTES TO FINANCIAL STATEMENT

16.2 Use of Estimates:

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

16.3 Taxation:

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

Current Tax:

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

Minimum Alternate Tax

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

Deferred Tax:

The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of 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.

16.4 Investments:

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

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

Current investments are valued at cost or market/fair value, whichever is lower. Carrying amount of individual investment is determined on the basis of average of carrying amount of total holding of investments.

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

16.5 Revenue Recognition:

Training fees is recognised only when it is actually received.

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 recognised on accrual basis.

Dividend income is recognised when the right to receive payment is established.

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

16.6 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

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

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

16.7 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 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.

Note 17 : Earnings per share:

	As at 31-Mar-16	As at 31-Mar-15
Net Profit attributable to equity shareholders [A] (₹)	10,752,592	1,569,557
Weighted Average Number of equity shares issued [B]	350,000	350,000
Basic/ Diluted Earnings per share [Face value of ₹ 10 (Previous Year ₹ 10) each] (EPS) [A/B] (₹)	30.72	4.48

Note 18 : Auditors' Remuneration:

	For the Year ended 31st March, 2016 In (₹)	For the Year ended 31st March, 2015 In (₹)
a) As Auditors:		
Audit Fees	192,500	50,000
Tax Audit	60,000	-
TOTAL	252,500	50,000

Auditors Remuneration is exclusive of service tax

NOTES TO FINANCIAL STATEMENT

Note 19 : Contingent liabilities & Commitments:

Contingent liabilities:

There are no contingent liabilities

Capital Commitments:

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) is ₹ 21,337 (Previous Year : ₹ Nil)

Note 20 :

In the opinion of the board of directors, all current assets, loans & advances would be realizable at least of an amount equal to the amount at which they are stated in the balance sheet.

Note 21 :

During the year, company as a lessee recognised ₹ 14,36,088 (Previous year ₹ 3,80,844) as Lease Payments 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 22 : Segment Information:

- 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 services to clients & fund based activities
- Broking and other related activities includes Broking services to clients, advisory services, financial product distribution and fee based services.
- Company's investment activities (Investment in securities and property) is considered as Fund based activities.

(₹ in millions)

Particulars	Equity Broking & Other related activities		Training related activities		Unallocated Portion		Total	
	31-Mar-2016	31-Mar-2015	31-Mar-2016	31-Mar-2015	31-Mar-2016	31-Mar-2015	31-Mar-2016	31-Mar-2015
REVENUE:								
External Revenue	10,171,440	-	25,828,462	1,248,127	120	1,130,954	36,000,023	2,379,081
Inter-Segment Revenue	-	-	-	-	-	-	-	-
Total Revenue	10,171,440	-	25,828,462	1,248,127	120	1,130,954	36,000,023	2,379,081
RESULT:								
Segment Result	4,451,967	-	11,455,908	720,295			15,907,876	720,295
Unallocated Corporate Expenses							276,105	53,307
Operating Profit							15,631,771	666,988
Interest Expenses							22,341	3,307
Interest Income							-	28,664
Tax Expenses:								
Income Tax							4,879,299	228,385
Deferred Tax								
Tax Impact of Transitional Depreciation								
For previous year(s) (Income tax)								
Profit from Ordinary Activities							15,631,891	1,797,942
Exceptional Item							-	-
Net Profit							15,631,891	1,797,942

NOTES TO FINANCIAL STATEMENT

Particulars	Equity Broking & Other related activities		Training related activities		Unallocated Portion		Total	
	31-Mar-2016	31-Mar-2015	31-Mar-2016	31-Mar-2015	31-Mar-2016	31-Mar-2015	31-Mar-2016	31-Mar-2015
OTHER INFORMATION:								
Segment Assets	14,507,297	–	18,941,796	17,766,556	80,096	–	33,529,190	17,766,556
Unallocated Corporate Asset								
Total Asset								
Segment Liabilities	3,572,462	–	1,945,077	287,442	–	220,055	5,517,538	507,497
Unallocated Corporate Liabilities								
Total Liabilities								
Capital Expenditure								
Depreciation								
Non-cash expenses other than depreciation								

Note 23 : 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 Commodities Broker Private Limited
2. Motilal Oswal Investment Advisors Private Limited
3. MOPE Investment Advisors Private Limited
4. Motilal Oswal Wealth Management Limited
5. Motilal Oswal Insurance Broker Private Limited.
6. Motilal Oswal Asset Management Company Ltd.
7. Motilal Oswal Trustee Company 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) Private Limited
16. Nagori Agro & Cattle Feeds Private Limited
17. VISU Associates - Partnership firm
18. OSAG Enterprises LLP

Key management personnel

- Mr. Navin Agarwal – Director
- Mr. Ajay Menon – Director

NOTES TO FINANCIAL STATEMENT

II Transactions with related parties for the year ended 31st March, 2016

(In ₹)

Particulars	Name of the related Party	Holding/Ultimate Holding Companies		Fellow Subsidiary Companies		Total	
		2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
Interest Expenses (Income)	Motilal Oswal Financial Services Ltd.	(120)	1,019	–	–	(120)	1,019
	Motilal Oswal Financial Services Ltd.	22,341	3,307	–	–	22,341	3,307
Total Interest (Income)		(120)	1,019	–	–	(120)	1,019
Total Interest Expense		22,341	3,307	–	–	22,341	3,307
Deposit Rent	Motilal Oswal Securities Limited	–	716,850	–	–	–	716,850
Total Deposit Rent		–	716,850	–	–	–	716,850
Rent Expense	Motilal Oswal Securities Limited	1,433,700	380,844	–	–	1,433,700	380,844
Total Rent Expense		1,433,700	380,844	–	–	1,433,700	380,844
Loan Taken (Maximum Balance)	Motilal Oswal Financial Services Ltd.	1,200,000	101,019	–	–	1,200,000	101,019
Total Loan Taken (Maximum Balance)		1,200,000	101,019	–	–	1,200,000	101,019
Loan taken	Motilal Oswal Financial Services Ltd.	1,200,000	138,865	–	–	1,200,000	138,865
Total Loan Taken		1,200,000	138,865	–	–	1,200,000	138,865
Repayment of loan	Motilal Oswal Financial Services Ltd.	1,200,000	139,884	–	–	1,200,000	139,884
Total Repayment of Loan		1,200,000	139,884	–	–	1,200,000	139,884
(Payment) / Receipt for Reimbursement of Expense	Motilal Oswal Asset Management Company Ltd.	–	–	(13,939)	–	(13,939)	–
	Motilal Oswal Securities Limited	(5,218,412)	–	–	–	(5,218,412)	–
Total (Payment) / Receipt for Reimbursement of Expense		(5,218,412)	–	(13,939)	–	(5,232,351)	–
Outstanding Balances:							
Other Payables	Motilal Oswal Securities Limited	–	221,410	–	–	–	221,410
Total Sundry Creditors		–	221,410	–	–	–	221,410
Deposit Rent Refundable	Motilal Oswal Securities Limited	716,850	716,850	–	–	716,850	716,850
Total Deposit Rent Refundable		716,850	716,850	–	–	716,850	716,850

Note : All Loans referred above are repayable on demand

Note 24 :

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

	31-Mar-16 In (₹)	31-Mar-15 In (₹)
The Principal amount remaining unpaid at the end of the year	–	–
The Interest amount remaining unpaid at the end of the year	–	–
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	–	–
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	–	–
The amount of interest accrued and remaining unpaid at the end of accounting year	–	–
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	–	–

NOTES TO FINANCIAL STATEMENT

Note 25: Employee Benefits Disclosure

(a) Defined Contribution Plan

Particulars	2015-16	2014-15
Employer's contribution to Provident Fund	41,613	—
Employer's contribution to ESIC	3,963	—

(b) Defined Benefit Plan

Gratuity Plan

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-16	31-Mar-15
I Assumptions as at		
Mortality	IALM (2006-08) Ult.	—
Average Interest / Discount Rate	7.49%	—
Average Rate of increase in compensation	10.00%	—
Average Rate of return (expected) on plan assets		
Average Employee Attrition Rate(Past Service (PS))	PS: 0 to 37 : 10%	—
Expected average remaining service	7.66	—
II Changes in present value of obligations		
PVO at beginning of year	—	—
Interest cost	—	—
Current Service Cost	114,462	—
Past Service Cost- (non vested benefits)	—	—
Past Service Cost -(vested benefits)	—	—
Benefits Paid	—	—
Actuarial (Gain)/Loss on obligation	—	—
PVO at end of year	114,462	—
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 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 unrecognized past service cost)	(114,462)	—
Excess of actual over estimated return on Plan Assets	—	—
V Experience History	31-Mar-16	31-Mar-15
(Gain)/Loss on obligation due to change in Assumption	—	—
Experience (Gain)/ Loss on obligation	—	—
Actuarial Gain/(Loss) on plan assets	—	—
VI Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the year (Obligation)	—	—
Actuarial Gain/(Loss) for the year (Plan Assets)	—	—
Total Gain/(Loss) for the year	—	—
Actuarial Gain/(Loss) recognized for the year	—	—
Unrecognized Actuarial Gain/(Loss) at end of year	—	—

NOTES TO FINANCIAL STATEMENT

	31-Mar-16	31-Mar-15
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 recognized Past service Cost- non vested benefits	–	–
recognized Past service Cost- vested benefits	–	–
Unrecognized Past Service Cost- non vested benefits	–	–
VIII Amounts to be recognized in the balance sheet and statement of profit & loss account		
PVO at end of year	114,462	–
Fair Value of Plan Assets at end of year	–	–
Funded Status	(114,462)	–
Unrecognized Actuarial Gain/(Loss)	–	–
Unrecognized Past Service Cost- non vested benefits	–	–
Net Asset/(Liability) recognized in the balance sheet	(114,462)	–
IX Expense recognized in the statement of P & LAIC		
Current Service Cost	114,462	–
Interest cost	–	–
Past Service Cost- (non vested benefits)	–	–
past Service Cost "(vested benefits)	–	–
Unrecognized Past Service Cost- non vested benefits	–	–
Expected Return on Plan Assets	–	–
Net Actuarial (Gain)/Loss recognized for the year	–	–
Expense recognized in the statement of P & L A/C	114,462	–
X Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	–	–
Expenses as above	114,462	–
Contribution paid	–	–
Closing Net Liability	114,462	–
XI Revised Schedule VI		
Current Liability	477	–
Non-Current Liability	113,985	–

Note: Since the provisions of Gratuity are applied from 2015-16, the disclosure for Gratuity figures as required by Para 120(n) have not been presented for the previous financial years.

Note 26 :

Company has not recognised the deferred tax assets of ₹ 37,845 (Previous Year ₹ Nil) on expenses, which are allowed on payment basis, as per Sec 43(b) of the Income tax act, 1961 on conservative basis."

Note 27 :

Previous year's figures have been regrouped, rearranged, reclassified to the extent considered necessary.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W

Amit A. Hundia

Partner

Membership No.120761

Place : Mumbai

Dated : 23rd April 2016

For and on behalf of the Board of

Motilal Oswal Capital Markets Private Limited

Rajesh Dharamshi

Director

DIN No: 01415232

Ajay Menon

Director

DIN No: 00024589

Motilal Oswal Wealth Management Limited

Annual Report 2015-2016

BOARD'S REPORT

To the Members,

Your Directors have pleasure in presenting their 15th Annual Report together with the audited Financial Statement of your Company for the year ended 31st March, 2016.

Financial Highlights

A summary of the financial performance of the Company for the financial year ended on 31st March, 2016 is given below:

Particulars	Amount (₹)	
	Financial Year Ended 31st March, 2016	Financial Year Ended 31st March, 2015
Revenue	444,007,766	299,149,784
Profit before Interest, Depreciation & Taxation	139,192,381	98,256,809
Interest Paid	26,067,214	270,203
Depreciation	3,686,189	3,967,431
Profit / (Loss) before Taxation and exceptional item	109,438,978	94,019,175
Less: Provision for Taxation		
Current Tax	39,543,765	30,974,760
Deferred Tax	(1,573,996)	(1,011,188)
Tax for earlier year(s)	–	(694,324)
Profit / (Loss) for the year	71,469,209	64,749,927
Balance Profit / (Loss) brought Forward	91,685,631	26,935,704
Less: Transfer to General Reserve	–	–
Less: Transitional Depreciation	–	–
Balance Profit / (Loss) carried Forward	163,154,840	91,685,631

Review of Operations and Future Outlook

During the year under review, the wealth management business has witnessed strong growth and we continue to invest further in future. We believe that our proposition has been strengthened through more focused and wider product offerings. We have invested in people across geographies thereby widening our coverage of affluent clients. The business is poised quite well to take advantage of the growing wealth in the country and the impending economic recovery. We believe that the business is capacitated to cater to a higher growth trajectory. This continues to be a focus area for the company.

During the year ended 31st March, 2016, the revenue of the Company increased from ₹ 299.14 million to ₹ 444.00 million representing a growth of 48%. The profit of the Company after tax is ₹ 71.47 million as compared to ₹ 64.75 million in the previous financial year representing growth of 10%.

Dividend and Reserves

Your Directors have not recommended payment of dividend for the Financial Year 2015-16 with a view to conserve the resources of the Company for the expansion of the operations of the Company.

During the year under review, the Company did not transfer any amount to Reserves.

Share Capital

The issued and paid-up share capital of the Company as on 31st March, 2016 is ₹ 800,000/- divided into 80,000 Equity Shares of ₹ 10/- each.

Deposits and Loans / Advances

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

During the year under review, the Company has accepted loans / advances from its Holding Company and the same is disclosed in the note no. 27 of financial statement of the Company pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Subsidiaries / Joint Ventures / Associate Companies

The Company does not have any Subsidiary Companies, Joint Ventures and Associate Companies as on 31st March, 2016.

Directors

During the year, there was no appointment or resignation of Directors(s).

Mr. Harsh Joshi, Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible has offered himself for re-appointment.

Number of Board Meetings

The Board meets at regular intervals to discuss and decide on the Company / business policy and strategy apart from other Board business. During the year under review, four Board Meetings were held and the interval between any two meetings was not more than 120 days. The status of attendance of Directors at these Board Meetings are as follows:

Name of the Director	Designation	Director Identification Number (DIN)	Meetings attended in Financial Year
Mr. Ajay Menon	Director	00024589	4
Mr. Harsh Joshi	Director	02951058	4
Mr. Sudhir Dhar	Director	06911441	4
Total meetings held during the year			4

Constitution of Corporate Social Responsibility Committee (CSR)

A Corporate Social Responsibility Committee of the Board of Directors has been constituted, to comply with the provisions of the Companies Act, 2013.

As on 31st March, 2016, the Corporate Social Responsibility Committee consisted of the following members:

Sr. No.	Name of Directors	DIN
1	Mr. Ajay Menon	00024589
2	Mr. Harsh Joshi	02951058
3	Mr. Sudhir Dhar	06911441

The status of attendance of the Committee Members at these Committee Meetings are as follows:

Name of the Director	Designation	Director Identification Number (DIN)	Meetings attended in Financial Year
Mr. Ajay Menon	Director	00024589	2
Mr. Harsh Joshi	Director	02951058	2
Mr. Sudhir Dhar	Director	06911441	2
Total meetings held during the year			2

Corporate Social Responsibility (CSR) Initiatives

The Company, Motilal Oswal Wealth Management Limited, recognizes its responsibilities towards society and strongly intends to contribute towards various areas like education, health care and social welfare.

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

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

As part of initiatives under CSR, during the year under review, the Company made contribution in area of education towards formation of Ashoka University [International Foundation For Research and Education] in New Delhi, and in area of health through Dr. Batras Positive Health Foundation, contribution towards Rotary Club of Bombay Cuffe Parade Charitable Trust, contribution towards Friends of Tribal Society and contribution towards Vedant Foundation.

The Annual Report on Corporate Social Responsibility activities is appended as an "Annexure 1" to this report.

BOARD'S REPORT (Contd..)

Business Risk Management

The organization realizes the importance of Enterprise Risk Management (ERM) framework and had taken early initiatives towards its implementation of business risk management policy. The organization has introduced several improvements to the business risk management policy.

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

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

Internal Financial Controls

The Company has in place adequate Internal Financial Control systems with reference to financial statement. During the year under review, no material or serious observation has been received from the Auditors of the Company for inefficiency or inadequacy of such controls.

Loans, Guarantees and Investments

The details of Loans, Guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in note no. 27 and note no. 11 to financial statements. During the year under review, there were no loans and guarantees given by the Company.

Related Party Transactions

All related party transactions that were entered into during the financial year were at arm's length basis and in the ordinary course of business.

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

Statutory Auditors

Your Company had appointed M/s P B K & Co., as Statutory Auditors for the term of five years at the Annual General Meeting held on September 30, 2014. In compliance with the provisions of Section 139 of the Companies Act, 2013, the appointment of the auditors is to be ratified by the members at every Annual General Meeting. M/s P B K & Co., Chartered Accountant (ICAI Firm Registration No. 122384W) have given their consent for re-appointment. The members are requested to ratify the appointment of Auditors and fix their remuneration.

There were no qualifications, reservations, adverse remarks or disclaimers in the report of Statutory Auditors of the Company nor any frauds were reported by the auditor under Section 143 (12) of the Companies Act, 2013.

Particulars of Employees as required under section 197 of the Companies Act, 2013 and rules framed there under

In accordance with the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the annexure pertaining to the names and other particulars of employees is available for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the said Annexure may write to the Company for the same.

Directors' Responsibility Statement

Pursuant to section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs

- of the Company as at 31st March, 2016 and of the Profit & Loss of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - (iv) the annual accounts have been prepared on a going concern basis; and
 - (v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and the systems were adequate and operating effectively.

Extract of Annual Return

The Extract of Annual Return in Form MGT-9 under Section 92(3) and Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed herewith to this report as "Annexure 3".

Significant and Material Orders

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

Policy on Prevention of Sexual Harassment of Women at Workplace

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company is committed to provide an environment, which is free of discrimination, intimidation and abuse. The Company believes that it is the responsibility of the organisation to protect the integrity and dignity of its women employees and also to avoid conflicts and disruptions in the work environment due to such cases. The Company has put in place a 'Policy against Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy, any women employee may report her complaint to the Redressal Committee formed for this purpose. We affirm that adequate access was provided to any complainant who wish to register a complaint under the policy. There were no complaints received by the Company, during the FY 2015-16.

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

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

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

Mandatory Disclosures in the Boards' Report

Following mandatory disclosures in the Boards' Report pursuant to the provisions of the Companies Act, 2013 are not applicable to the Company:

- Section 134(3)(d) - A statement on declaration given by independent directors under sub-section (7) of section 149;
- Section 134(3)(e) - As per sub-section (1) of section 178, policies on appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178;
- Section 134(3)(f) - Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made by the Company secretary in practice in his secretarial audit report;
- Section 134(3)(l) - Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statement relate and the date of the report;
- Section 177 - Audit Committee;
- Section 177(9) - Establishment of Vigil Mechanism;
- Section 178 - Nomination And Remuneration Committee and stakeholders Relationship Committee;
- Section 203 - Appointment of Key Managerial Personnel;
- Section 204 - Secretarial Audit;
- Performance Evaluation of the Board of Directors.

BOARD'S REPORT *(Contd..)*

Acknowledgments

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

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

Ajay Menon
Chairman
DIN: 00024589

Place : Mumbai

Date : 22nd April, 2016.

ANNEXURE 1 TO THE BOARD'S REPORT

Annual Report on Corporate Social Responsibility Activities

[Pursuant to section 135 of the Companies Act, 2013 and Rule 9 of the Companies (Accounts) Rules, 2014]

1. A brief outline of the Company's Corporate Social Responsibility (CSR) Policy:

The Company, Motilal Oswal Wealth Management Limited, recognizes its responsibilities towards society and strongly intends to contribute towards various areas like education, health care and social welfare. The Company's endeavour is to provide liberal arts education at low cost, providing services to children from different background, health care services for the social welfare of the people, etc.

2. The Composition of the CSR Committee

The CSR Committee comprises of three Directors:

Sr. No.	Name of Directors	DIN
1	Mr. Ajay Menon	00024589
2	Mr. Harsh Joshi	02951058
3	Mr. Sudhir Dhar	06911441

3. Average net profit of the company for last three financial years

₹ 38,333,479/-

4. Prescribed CSR Expenditure

₹ 770,000/-

5. Details of CSR spent during the financial year.

- Total amount spent for the financial year : ₹ 993,000/-
- Amount unspent, if any : NIL
- Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) projects or programs wise	Amount spent on the projects or programs Subheads: (i) Direct expenditure on projects or programs (ii) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency*
1.	International Foundation For Research And Education (Construction of Ashoka University)	Education	New Delhi	₹ 780,000	Direct expenditure of ₹ 780,000	₹ 780,000	Through M/s Motilal Oswal Foundation
2.	Dr. Batras Positive Health Foundation	Health care	Mumbai	₹ 38,000	Direct expenditure of ₹ 38,000	₹ 38,000	Direct
3.	Friends of Tribals Society	Social Welfare	Kolkata	₹ 100,000	Direct expenditure of ₹ 100,000	₹ 100,000	Direct
4.	Vedant Foundation	Social Welfare	Mumbai	₹ 75,000	Direct expenditure of ₹ 75,000	₹ 75,000	Direct

ANNEXURE 1 TO THE BOARD'S REPORT

* Give details of implementing agency:

M/s. Motilal Oswal Foundation is registered under section 25 of the Companies Act, 1956 incorporated on 24th June, 2011 having registered office at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025. Motilal Oswal Foundation is a non-profit organisation to support social initiatives of the group and is promoted by Mr. Motilal Oswal, Mr. Raamdeo Agarawal and Passionate Investment Management Private Limited, the group holding company. The Foundation is headed by Mrs. Suneeta Agrawal. Education, healthcare and rural and urban development are the key focus areas of Motilal Oswal Foundation.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Not Applicable

7. Responsibility Statement

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the CSR Committee monitors the implementation of CSR Projects and activities in compliance with our CSR objectives.

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

Ajay Menon

Director & Chairman - CSR Committee

DIN: 00024589

Place : Mumbai

Date: 22nd April, 2016.

ANNEXURE 2 TO THE BOARD'S REPORT

Form No. AOC-2

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

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

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

NOT APPLICABLE

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

(Amount in ₹)

Sr. No.	Name of the Related Party	Nature of the relationship	Nature of Contract	Duration of Contract	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any
1	Motilal Oswal Asset Management Company Limited	Fellow Subsidiary	Rendering of PMS services	On-going	PMS Sharing received by Motilal Oswal Wealth Management Limited from Motilal Oswal Asset Management Company Limited	Nil
2	Motilal Oswal Real Estate Investment Advisors II Private Limited	Fellow Subsidiary	Rendering of Advisory & Placement services	On-going	Advisory & Placement fees received by Motilal Oswal Wealth Management Limited from Motilal Oswal Real Estate Investment Advisors II Private Limited	Nil
3	Motilal Oswal Securities Limited	Holding Company	Rendering of Broking services	On-going	"Brokerage Commission received by Motilal Oswal Wealth Management Limited from Motilal Oswal Securities Limited"	Nil
4	Motilal Oswal Real Estate Investment Advisors II Private Limited	Fellow Subsidiary	Rendering of loan	On-going	Loan given by Motilal Oswal Wealth Management Limited from Motilal Oswal Real Estate Investment Advisors II Private Limited	Nil

* Definition of Materiality has been adopted from Regulation 23 of the Listing Regulations, 2015 which states as follows: Transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statement of the Company. Since the Company does not have any subsidiary Company, materiality is decided based on transactions exceeding 10% of the standalone turnover as per the last audited financial statement of the Company.

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

Ajay Menon

Chairman

DIN: 00024589

Place : Mumbai
Date: 22nd April, 2016.

ANNEXURE 3 TO THE BOARD'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2016

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

I. Registration and Other Details:

i) CIN	U67110MH2002PLC135075
ii) Registration Date	6th March, 2002
iii) Name of the Company	Motilal Oswal Wealth Management Limited
iv) Category / Sub Category of the Company	Public Limited Company
v) Address of the Registered Office and contact details	Motilal Oswal Tower, 6th Floor, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025. Tel. No. +91 22 3980 4200
vi) Whether Shares Listed On Recognized Stock Exchange(s)	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

II. Principal Business Activities of the Company

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1	Brokerage and Referral Fees	6619	67%
2	Management and Consultant Fees	6619	20%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Motilal Oswal Securities Limited	U65990MH1994PLC079418	Holding	100	2(46)

Note:

- There are no Subsidiary and Associate Companies of the Company as on 31st March, 2016.
- Passionate Investment Management Private Limited (PIMPL) is the ultimate holding Company and holds 54.01% shares in Motilal Oswal Financial Services Limited (MOFSL).
- Motilal Oswal Financial Services Limited (MOFSL) holds 100% shares in Motilal Oswal Securities Limited (MOSL).

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Bodies Corp	-	80,000	80,000	100	-	80,000	80,000	100	0
Sub-total (A) (1)	-	80,000	80,000	100	-	80,000	80,000	100	0

ANNEXURE 3 TO THE BOARD'S REPORT

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	80,000	80,000	100	-	80,000	80,000	100	0
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	-	80,000	80,000	100	-	80,000	80,000	100	0

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of the shares pledged/ encumbered to total shares	% change in shareholding during the year
1	Motilal Oswal Securities Limited	79,994	99.99	-	79,994	99.99	-	0
2	Motilal Oswal Securities Limited jointly with Mr. Motilal Oswal	1	0.00	-	1	0.00	-	0
3	Motilal Oswal Securities Limited jointly with Mr. Raamdeo Agarawal	1	0.00	-	1	0.00	-	0
4	Motilal Oswal Securities Limited jointly with Mrs. Vimla Oswal	1	0.00	-	1	0.00	-	0
5	Motilal Oswal Securities Limited jointly with Mrs. Suneeta Agrawal	1	0.00	-	1	0.00	-	0
6	Motilal Oswal Securities Limited jointly with Mr. Navin Agarwal	1	0.00	-	1	0.00	-	0
7	Motilal Oswal Securities Limited jointly with Mr. Ajay Menon	1	0.00	-	1	0.00	-	0
	Total	80,000	100.00	-	80,000	100.00	-	0

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

Sr. No.	Shareholder's Name	Shareholding at the beginning / end of the year		Date	Increase / (Decrease) in Share-holding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Motilal Oswal Securities Limited	79,994	99.99	01-04-2015	-	Nil movement during the year	79,994	99.99
		79,994	99.99	31-03-2016				
2	Motilal Oswal Securities Limited jointly with Mr. Motilal Oswal	1	0.00	01-04-2015	-	Nil movement during the year	1	0.00
		1	0.00	31-03-2016				
3	Motilal Oswal Securities Limited jointly with Mr. Raamdeo Agarawal	1	0.00	01-04-2015	-	Nil movement during the year	1	0.00
		1	0.00	31-03-2016				

ANNEXURE 3 TO THE BOARD'S REPORT

Sr. No.	Shareholder's Name	Shareholding at the beginning / end of the year		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
4	Motilal Oswal Securities Limited jointly with Mr. Vimla Oswal	1	0.00	01-04-2015	–	Nil movement during the year	1	0.00
		1	0.00	31-03-2016				
5	Motilal Oswal Securities Limited jointly with Mrs. Suneeta Agrawal	1	0.00	01-04-2015	–	Nil movement during the year	1	0.00
		1	0.00	31-03-2016				
6	Motilal Oswal Securities Limited jointly with Mr. Navin Agarawal	1	0.00	01-04-2015	–	Nil movement during the year	1	0.00
		1	0.00	31-03-2016				
7	Motilal Oswal Securities Limited jointly with Mr. Ajay Menon	1	0.00	01-04-2015	–	Nil movement during the year	1	0.00
		1	0.00	31-03-2016				

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

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the Beginning of the year		Shareholding at the End of the year		Cumulative Shareholding During the year	
		No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
NIL							

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Designation	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NIL						

V. Indebtedness

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

Amount (₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	–	18,476	–	18,476
ii) Interest due but not paid	–	43,219	–	43,219
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	–	61,695	–	61,695
Change in Indebtedness during the financial year				
• Addition	–	355,689,575	–	355,689,575
• Reduction	–	355,648,051	–	355,648,051
Net Change	–	41,524	–	41,524
Indebtedness at the end of the financial year				
i) Principal Amount	–	60,000	–	60,000
ii) Interest due but not paid	–	3,545,310	–	3,545,310
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	–	3,605,310	–	3,605,310

ANNEXURE 3 TO THE BOARD'S REPORT

VI. Remuneration of Directors And Key Managerial Personnel

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

Amount (₹)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	–
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–	–
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	–	–
2	Stock Option	–	–
3	Sweat Equity	–	–
4	Commission as % of profit	–	–
5	Others, please specify Variable Incentives	–	–
	Total (A)	–	–
	Ceiling as per the Act		–
	*5% of the net profit calculated as per Section 198		

B. Remuneration to other directors:

Amount (₹)

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors		
	• Fee for attending board / committee meetings	–	–
	• Commission	–	–
	• Others, please specify	–	–
	Total (1)	–	–
2.	Other Non-Executive Directors		
	• Fee for attending board / committee meetings	–	–
	• Commission	–	–
	• Others, please specify	–	–
	Total	–	–

C. Remuneration to key managerial personnel other than MD / Manager / WTD:

Amount (₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	–	–	–
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–	–	–	–
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	–	–	–	–

ANNEXURE 3 TO THE BOARD'S REPORT

VII. Penalties / Punishment / Compounding of Offences:

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

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

Ajay Menon

Chairman

DIN: 00024589

Place : Mumbai

Date: 22nd April, 2016.

INDEPENDENT AUDITORS' REPORT

To the Members of MOTILAL OSWAL WEALTH MANAGEMENT LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Motilal Oswal Wealth Management Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2016, 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 Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including 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 financial 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 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 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;

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 appears from the examination of those books;
- 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 statements 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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 control 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 Auditor) Rule 2014, in our opinion to the best of our information and according to the explanations given to us:
 - i) there are no pending litigations on its financials position in the financials statement that need to be disclosed by the Company.
 - ii) the Company has not entered in to any long term contracts including derivatives contract. Hence provision for material foreseeable losses does not arise.
 - iii) there are no amount that need to transferred to Investor Education and Protection Fund by the Company.

For **P B K & CO**
Chartered Accountants
Firm Registration No.: 122384W

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: April 22, 2016

INDEPENDENT AUDITORS' REPORT (Contd..)

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) The Company did not have any immovable properties at anytime during the year. Hence, the requirements of sub clause (c) to clause (i) of paragraph 3 of the said Order are not applicable to 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. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act for any activities of the Company.
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, 2016 which have not been deposited on account of any dispute.
8. According to the records of Company examined by us and the information and explanation given to us, the Company has not availed of any loans from the financial institutions or banks and has not issued debentures.
9. In our opinion, and according to the information and explanation given to us, no moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were not applied for the purposes for which those are raised.
10. During the course of our examination of books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud 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 any managerial remuneration provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013. Hence, the requirements of paragraph 11 of the said Order are not applicable to the Company.
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 Statements 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.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

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 **P B K & CO**
Chartered Accountants
Firm Registration No.: 122384W

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: April 22, 2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 4 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Motilal Oswal Wealth Management Limited on the standalone* financial statements for the year ended 31st March, 2016.

Report on the Internal Financial Controls over Financial Reporting 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 March 31, 2016 in conjunction with our audit of the standalone financial statements 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 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 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, to the extent applicable to an audit of internal financial controls, 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 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 judgement, including the assessment of the risks of material misstatement of the financial statements, 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.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

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 statements 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 statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 March 31, 2016, based on the essential components of internal control stated in the Guidance Note issued by ICAI.

For **P B K & CO**

Chartered Accountants

Firm Registration No.: 122384W

Premal H Gandhi

Partner

Membership No. 111592

Place: Mumbai

Date: April 22, 2016

BALANCE SHEET

Balance Sheet as at March 31, 2016

	Note No.	As at 31-Mar-16 (In ₹)	As at 31-Mar-15 (In ₹)
I EQUITY AND LIABILITIES			
Share Holder's Funds :			
Share Capital	1	800,000	800,000
Reserve & Surplus	2	210,141,149	138,671,939
Non-Current Liabilities			
Deferred Tax Liability	3	—	55,649
Long Term Provision	4	6,036,454	2,777,826
Current Liabilities			
Short Term Borrowings	5	60,000	18,476
Other Current Liabilities	6	26,943,076	13,958,090
Short Term Provision	7	49,927,467	49,407,139
TOTAL		293,908,146	205,689,119
II. ASSETS			
Non - Current Assets			
Fixed Assets			
Tangible Assets	8	32,011,826	29,218,377
Gross Block			
Less : Accumulated Depreciation			
(i) Tangible assets		28,932,663	29,218,377
(ii) Intangible assets		3,079,163	4,609,530
Long Term Loans & Advances	9	307,692	5,759,525
Deferred Tax Liability	10	1,518,347	—
Current Assets			
Current Investment	11	10	—
Cash and Cash Equivalents	12	20,141,057	67,452,432
Short term loan and advances	13	142,024,866	11,134,856
Trade Receivables	14	97,891,880	87,492,089
Other Current Assets	15	12,469	22,312
TOTAL		293,908,146	205,689,119

Notes to Accounts referred above form a integral part of the financial statements

As per our attached report of even date

For P B K & Co.

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

M.No. : 111592

Place : Mumbai

Date : 22nd April, 2016

For and on behalf of the Board of

Motilal Oswal Wealth Management Limited

Harsh Joshi

Director

DIN No: 2951058

Ajay Menon

Director

DIN No: 00024589

STATEMENT OF PROFIT AND LOSS

Statement of Profit and Loss for the year ended 31st March, 2016

	Note No.	For the Period ended 31-Mar-16 (In ₹)	For the Period ended 31-Mar-15 (In ₹)
REVENUE :			
Revenue from Operation	16	392,901,225	285,511,300
Other Income	17	51,106,541	13,638,484
Total Revenue		444,007,766	299,149,784
EXPENSES :			
Employee Benefit	18	224,389,095	145,836,805
Finance Cost	18	26,067,214	270,203
Depreciation	8	3,686,189	3,967,431
Other Expenses	18	80,426,290	55,056,170
Total Expenses		334,568,787	205,130,609
Prior year Income/(Expenses)		–	–
Profit Before Tax		109,438,979	94,019,175
Tax Expenses :			
Provision For Tax (Current Year)		39,543,765	30,974,760
Provision For Tax (Earlier Years)		–	(694,324)
Deferred tax		(1,573,996)	(1,011,188)
Profit for the period		71,469,210	64,749,927
Earnings per share (₹)			
Equity share of par value ₹10 each			
Basic		893.37	809.37
Diluted		893.37	809.37

Notes to Accounts referred above form a integral part of the financial statements

As per our attached report of even date

For P B K & Co.

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

M.No. : 111592

Place : Mumbai

Date : 22nd April, 2016

For and on behalf of the Board of

Motilal Oswal Wealth Management Limited

Harsh Joshi

Director

DIN No: 2951058

Ajay Menon

Director

DIN No: 00024589

CASH FLOW STATEMENT

Cash flow statement as of 31st March, 2016

Particulars	For the Year ended 31st March, 2016 In (₹)	For the Year ended 31st March, 2015 In (₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	109,438,979	93,934,905
Add /Less :		
1) Interest Expenses	26,067,214	270,203
2) Interest Income	(39,052,162)	(478,563)
3) Dividend	–	(499,563)
4) Profit on sale of Investment	(1,100,478)	(1,622,188)
5) Depreciation	3,686,189	3,967,431
Operating Profit	99,039,741	95,572,225
Adjustment For:		
1) Increase/(Decrease) in Other Long Term Liabilities	–	–
2) Increase/(Decrease) in Other Current Liabilities	12,984,985	(4,409,114)
3) Increase/(Decrease) in Long Term Provision	3,258,628	2,381,601
4) Increase/(Decrease) in Short Term Provision	(2,862,270)	61,076,045
5) Increase/(Decrease) in Short Term Borrowings	41,524	(1,981,524)
6) (Increase)/Decrease in Other Current Assets	9,843	4,550
7) (Increase)/Decrease in Short term Loans & Advances	(130,890,009)	1,127,085
8) Increase/(Decrease) in Trade Receivables	(10,399,792)	(45,063,641)
9) (Increase)/Decrease in Long term Loans & Advances	(301,037)	(13,368,496)
Cash Flow From Operations	(29,118,386)	95,338,732
Taxes Paid	(30,408,297)	(31,726,781)
NET CASH FLOW FROM OPERATIONS	(59,526,684)	63,611,951
CASH FLOW FROM INVESTING ACTIVITIES		
1) Interest Received	39,052,162	478,563
2) Dividend Income	–	–
3) Net cash inflow on account of mutual fund (Reliance Mutual Fund)	0	2,121,750
4) Aspire Shares Acquired	(10.00)	–
5) Purchase of Fixed Assets	(769,630)	(1,524,908)
NET CASH FLOW FROM INVESTING ACTIVITIES	38,282,522	1,075,405

CASH FLOW STATEMENT (Contd..)

Particulars	For the Year ended 31st March, 2016 In (₹)	For the Year ended 31st March, 2015 In (₹)
CASH FLOW FROM FINANCING ACTIVITIES		
1) Interest Paid	(26,067,214)	(270,203)
2) Increase/(Decrease) in Share Capital	–	–
3) Increase/(Decrease) in Share Premium	–	–
NET CASH FLOW FROM FINANCING ACTIVITIES	(26,067,214)	(270,203)
NET CASH FLOW FOR THE YEAR	(47,311,375)	64,417,153
Cash and bank balances comprise of:		
Cash in hand	–	–
Scheduled bank - In Current Account	66,102,432	1,685,278
Fixed Deposit with Bank	–	–
Total Cash & Cash Equivalents as at beginning of year	66,102,432	1,685,278
Cash and bank balances comprise of:		
Cash in hand	–	–
Scheduled bank - In Current Account	18,791,057	66,102,432
Fixed Deposit with Bank	–	–
Total Cash & Cash Equivalents as at end of year	18,791,057	66,102,432

As per our attached report of even date

For P B K & Co.

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

M.No. : 111592

Place : Mumbai

Date : 22nd April, 2016

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

Harsh Joshi

Director

DIN No: 2951058

Ajay Menon

Director

DIN No: 00024589

NOTES TO FINANCIAL STATEMENT

Note 1 : Share Capital

	As at 31-Mar-16		As at 31-Mar-15	
	Number of Shares	In (₹)	Number of Shares	In (₹)
Authorised Share Capital :				
Equity Shares of ₹ 10/- each	150,000	1,500,000	150,000	1,500,000
TOTAL	150,000	1,500,000	150,000	1,500,000
Issued, Subscribed & Paid Up :				
Equity Shares of ₹ 10/- each	80,000	800,000	80,000	800,000
TOTAL	80,000	800,000	80,000	800,000

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 1 share held jointly with nominee)

The Company has one class of equity shares having a par value of ₹ 10/- (Previous year: 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.

1.2 Reconciliation of number of shares outstanding

	As at 31-Mar-16		As at 31-Mar-15	
	Number of Shares	(₹)	Number of Shares	(₹)
Number of share at beginning #	80,000	800,000	80,000	800,000
Addition During the Year #	-	-	-	-
Number of Share at the end	80,000	800,000	80,000	800,000

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

Name of Shareholder	As at 31-Mar-16		As at 31-Mar-15	
	No of Shares #	% of Holding	No of Shares #	% of Holding
Motilal Oswal Securities Ltd.(Holding Company)	79,994	99.99	79994.00	100
Motilal Oswal Securities Ltd. Jtly. With Mr. Motilal Oswal	1	0.00	1.00	0
	79,995	99.99	79,995	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-16 In (₹)	As at 31-Mar-15 In (₹)
Securities Premium	46,986,308	46,986,308
	46,986,308	46,986,308
Surplus		
Opening balance	91,685,631	26,935,704
Add: Net profit for the year	71,469,210	64,749,927
	163,154,841	91,685,631
TOTAL	210,141,149	138,671,939

Note 3 : Deferred Tax Liability

	As at 31-Mar-16 In (₹)	As at 31-Mar-15 In (₹)
Provision for gratuity	–	(1,028,359)
Wdv of Fixed Assets	–	1,084,008
TOTAL	–	55,649

Note 4 : Long Term Provision

	As at 31-Mar-16 In (₹)	As at 31-Mar-15 In (₹)
Provision for Gratuity	6,036,454	2,777,826
TOTAL	6,036,454	2,777,826

Note 5 : Short Term borrowing

	As at 31-Mar-16 In (₹)	As at 31-Mar-15 In (₹)
Loan from Related Party (Unsecured, Considered Good)		
Motilal Oswal Financial services Ltd.	60,000	18,476
TOTAL	60,000	18,476

Note 6 : Other Current Liabilities

	As at 31-Mar-16 In (₹)	As at 31-Mar-15 In (₹)
Advance received from client	78,498	–
For other liabilities		
Others Payable	5,128,511	900,437
Deposits (with MOSL)	176,910	176,910
Interest Payable	3,545,310	43,219
For Expenses	15,380,603	10,856,832
Withholding and other Taxes Payable	2,633,244	1,980,692
TOTAL	26,943,076	13,958,090

NOTES TO FINANCIAL STATEMENT

Note 7 : Short Term Provision

	As at 31-Mar-16 In (₹)	As at 31-Mar-15 In (₹)
Provision for Tax Current Year (Net of Advance Tax)	3,382,598	
Provision Gratuity	1,182,639	332,474
Provision for Ex -gratia and Other	45,362,230	49,074,665
TOTAL	49,927,467	49,407,139

Note 8 :

(in ₹)

PARTICULARS	GROSS BLOCK			DEPRICIATION				NET BLOCK		
	As At 1-Apr-15	Additions	Deduction	As At 1-Apr-16	As At 1-Apr-15	Additions	Deduction	As At 1-Apr-16	As At 1-Apr-15	
Commercial Rights	500,000			500,000	156,986	100,210		257,196	343,014	242,804
Computer Software	7,019,721			7,019,721	2,807,192	1,406,832		4,214,024	4,212,529	2,805,697
PMS Licence	100,000			100,000	46,013	23,325		69,338	53,987	30,662
Office Premises	44,776,849			44,776,849	16,511,800	1,370,575		17,882,375	28,265,049	26,894,474
Electrical Equipment		3,510		3,510		151		151	0	3,359
Air Conditioner		42,166		42,166		34,109		34,109	0	8,057
Mobile		65,000		65,000		7,324		7,324	0	57,676
Office Equipments		100,095		100,095		22,621		22,621	0	77,474
Television		39,990		39,990		13,510		13,510	0	26,480
Computer-1	2,533,588	57,750		2,591,338	1,580,257	666,885		2,247,142	953,331	344,196
Car		1,561,444		1,561,444		40,646		40,644	0	1,520,800
Total	54,930,158	1,869,955	0	56,800,113	21,102,248	3,686,189	0	24,788,435	33,827,910	32,011,678

Note 9 : Long Term Loans and Advances

	As at 31-Mar-16 In (₹)	As at 31-Mar-15 In (₹)
Prepaid	307,692	6,655
Advance Tax (Net of Provisions)		5,752,870
TOTAL	307,692	5,759,525

Note 10 : Deferred Tax Assets

	As at 31-Mar-16 In (₹)	As at 31-Mar-15 In (₹)
Provision for gratuity (DT)	2,498,384	—
Loss in Business	—	—
Wdv of Fixed Assets	(980,037)	—
Provision for bad and doubtful debts	—	—
TOTAL	1,518,347	—

NOTES TO FINANCIAL STATEMENT

Note 11 : Current Investments

	As at 31-Mar-16 In (₹)	As at 31-Mar-15 In (₹)
Aspire Shares acquired	10	–
TOTAL	10	–

Note 12 : Cash and bank balances

	As at 31-Mar-16 In (₹)	As at 31-Mar-15 In (₹)
Cash and Cash Equivalents		
Bank Balances		
IDBI Bank A/c No. 014102000000693	–	–
In Current Account	18,791,057	66,102,432
TOTAL (A)	18,791,057	66,102,432
Other Bank Balances		
Fixed Deposit with Banks (with maturity more than 3 months).	1,350,000	1,350,000
TOTAL (B)	1,350,000	1,350,000
TOTAL (A+B)	20,141,057	67,452,432

Note 13 : Short term loan and advances

	As at 31-Mar-16 In (₹)	As at 31-Mar-15 In (₹)
Unsecured, considered good		
Others		
Advances	1,482,854	1,482,854
Prepaid	838,825	646,826
Others	138,879,837	558,413
Balance with Government Authorities	823,350	8,446,763
TOTAL	142,024,866	11,134,856

Note 14 : Trade Receivables

	As at 31-Mar-16 In (₹)	As at 31-Mar-15 In (₹)
Unsecured, considered good		
Trade Receivables(Outstanding for less than 6 months)	6,048,484	86,683,039
Trade Receivables (More than 6 months)	91,249,939	809,050
Other Receivables	593,457	–
TOTAL	97,891,880	87,492,089

NOTES TO FINANCIAL STATEMENT

Note 15 : Other Current Assets

	As at 31-Mar-16 In (₹)	As at 31-Mar-15 In (₹)
Secured, considered good:		
Accrued interest but not due on Fixed Deposits	12,469	22,312
Accrued interest on Loan Given	—	—
TOTAL	12,469	22,312

Note 16 : Revenue from Operation

	For the Year Ended 31-Mar-16 In (₹)	For the Year Ended 31-Mar-15 In (₹)
Management and Consultant Fees	89,050,714	42,219,536
Brokerage, Commission & Referral Fees Others	6,540,908	1,603,994
Brokerage & Referral Fees	297,309,604	241,687,770
PMS Commission	—	—
TOTAL	392,901,225	285,511,300

Note 17: Other Income

	For the Year Ended 31-Mar-16 In (₹)	For the Year Ended 31-Mar-15 In (₹)
Dividend on Mutual Fund	—	499,563
Interest	38,805,712	122,069
Rent Received	10,953,900	10,953,900
Interest on IT refund	246,450	440,764
Profit on Sale of Investment	1,100,478	1,622,188
TOTAL	51,106,541	13,638,484

Note 18 : Expenses

	For the Year Ended 31-Mar-16 In (₹)	For the Year Ended 31-Mar-15 In (₹)
Employee Benefit		
Salary and Bonus	216,092,721	140,652,792
Gratuity	4,108,793	2,712,155
Contribution to Provident Other Funds	2,799,095	1,627,324
Staff Welfare	1,388,486	844,534
Total	224,389,095	145,836,805
Finance Cost		
Interest Other	26,067,214	270,203
Total	26,067,214	270,203

NOTES TO FINANCIAL STATEMENT

	For the Year Ended 31-Mar-16 In (₹)	For the Year Ended 31-Mar-15 In (₹)
Other Expenses		
Software Charges	741,427	204,969
Brokerage Sharing with Intermeditorities	21,027,900	20,048,619
Rent Paid	10,613,329	10,600,080
Auditors Remuneration	50,191	47,250
Printing & Stationery Expenses	5,164,659	3,204,246
Membership & Subscription Fees	1,710,921	219,583
Client Entertainment	1,127,218	259,388
Communication Expenses	1,235,733	941,528
Computer Running Exp	181,712	30,696
Miscellaneous Exp.	10,889,005	3,073,654
Marketing & Brand Promotion Expenses	4,901,293	1,833,425
Legal & Professional Fees	6,572,400	3,049,923
Travelling Expenses and Conveyance	7,384,330	6,727,646
Donation	3,664,700	1,842,000
Training Expenses	273,640	933,585
Cenvat Reversal Towards Exempt Services	3,062,101	
Rates and Taxes	18,265	16,667
Power and Fuel	1,807,465	2,022,911
TOTAL	80,426,290	55,056,170

Note 19 : 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 20 : Background

Motilal Oswal Wealth Management Private Limited was incorporated on March 6, 2002. the principal shareholder of the Company as at March 31, 2016 is Motilal Oswal Securities Limited (MOSL). During the year the company has received 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 21 : Significant Accounting Policies:

21.1 Basis of Preparation of Financial Statements:

The financial statements of the Company are prepared under the historical cost convention, on the accrual basis of accounting and comply in all material respects with the generally accepted accounting principles in India, the applicable accounting standards notified under Section 133 of the Companies Act, 2013, 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.

NOTES TO FINANCIAL STATEMENT

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

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. 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 and equipments of the significant value are componentized with separate useful life. 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.

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

21.5 Revenue Recognition:

Rent income is recognized on accrual basis and is exclusive of service tax. All other income is recognized 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:

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

Deferred Tax

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 Preliminary Expenses:

Preliminary expenses are charged to the profit and loss account in the year in which they are incurred.

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.

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 statements. 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-16 In (₹)	31-Mar-15 In (₹)
As Auditors:		
Audit Fees	31,254	31,250
In any other capacity, in respect of:		
Other Certification	18,750	16,000
TOTAL	50,004	47,250

Note 23 : Basic & Diluted Earnings per share:

	31-Mar-16	31-Mar-15
Net Profit / (loss) attributable to equity shareholders [A] (₹)	71,469,210	64,749,927
Weighted Average Number of equity shares issued [B] (₹)	80,000	80,000
Basic & Diluted EPS [A/B] (₹)	893	809

NOTES TO FINANCIAL STATEMENT

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, 2016			31st March, 2015		
	AMC	Fund based	Unallocated	AMC	Fund based	Unallocated
REVENUE:						
External Revenue	86,971,087	–	1,468,280	143,704,069	–	2,684,584
Inter-Segment Revenue	305,930,138	10,953,900	38,684,361	144,491,815	10,953,900	–
Total Revenue	392,901,225	10,953,900	40,152,641	288,195,884	10,953,900	2,684,584
RESULT:						
Segment Result	88,114,544	10,953,900	10,370,536	82,492,894	10,953,900	572,381
Unallocated Expenses				–	–	–
Operating Profit				–	–	–
Interest Expenses				–	–	–
Interest Income				–	–	–
Income Tax				–	–	–
Profit from Ordinary Activities				–	–	–
Extra-Ordinary Items				–	–	–
Net Profit				–	–	–
OTHER INFORMATION:						
Segment Assets	265,655,331	26,890,346	1,362,469	168,816,037	28,265,046	8,608,036
Segment Liabilities	82,906,997	–	60,000	65,966,146	–	251,035
Capital Expenditure				1,524,908	–	–
Depreciation	3,686,189			3,967,431	–	–
Non-cash expenses other than depreciation				–	–	–
Capital Expenditure				1,524,908.00	–	–
Depreciation	3,686,189			3,967,431.00	–	–
Non-cash Exp						
Provision on Standard & Sub-Standard Assets and on Bad/Doubtful Debts				–	–	–
Expenses on Employee Stock Option Scheme				–	–	–
Partnership (Gain)/Loss				–	–	–
Foreign Exchange Fluctuation				–	–	–
Total				–	–	–

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.

	31-Mar-16	31-Mar-15
I Assumptions as at		
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest / Discount Rate	7.49%	7.77%
Rate of increase in compensation	5.00%	3.00%
Rate of return (expected) on plan assets		
Employee Attrition Rate(Past Service (PS))	PS: 0 to 37 : 13.56%	PS: 0 to 37 : 07.22%
Expected average remaining service	5.84	10.02
II Changes in present value of obligations		
PVO at beginning of period	3,110,300	398,145.00
Interest cost	241,670	34,838.00
Current Service Cost	1,285,827	1,007,728
Past Service Cost- (non vested benefits)	–	–
Past Service Cost -(vested benefits)	–	–
Benefits Paid	–	–
Actuarial (Gain)/Loss on obligation	2,581,296	1,669,589
PVO at end of period	7,219,093	3,110,300
III Changes in fair value of plan assets		
Fair Value of Plan Assets at beginning of period	–	–
Expected Return on Plan Assets	–	–
Contributions	–	–
Benefit Paid	–	–
Actuarial Gain/(Loss) on plan assets	–	–
Fair Value of Plan Assets at end of period	–	–
IV Fair Value of Plan Assets		
Fair Value of Plan Assets at beginning of period	–	–
Actual Return on Plan Assets	–	–
Contributions	–	–
Benefit Paid	–	–
Fair Value of Plan Assets at end of period	–	–
Funded Status (including unrecognised past service cost)	(7,219,093)	(3,110,300)
Excess of actual over estimated return on Plan Assets	–	–
V Experience History	31-Mar-16	31-Mar-15
(Gain)/Loss on obligation due to change in Assumption	1,201,417	(255,034.00)
Experience (Gain)/ Loss on obligation	1,379,879	1,924,623
Actuarial Gain/(Loss) on plan assets	–	–
VI Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the period (Obligation)	(2,581,296)	(1,669,589)
Actuarial Gain/(Loss) for the period (Plan Assets)	–	–
Total Gain/(Loss) for the period	(2,581,296)	(1,669,589)
Actuarial Gain/(Loss) recognized for the period	(2,581,296)	(1,669,589)
Unrecognized Actuarial Gain/(Loss) at end of period	–	–

NOTES TO FINANCIAL STATEMENT

	31-Mar-16	31-Mar-15
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	7,219,093	3,110,300
Fair Value of Plan Assets at end of period	–	
Funded Status	(7,219,093)	(3,110,300)
Unrecognized Actuarial Gain/(Loss)	–	
Unrecognised Past Service Cost- non vested benefits	–	
Net Asset/(Liability) recognized in the balance sheet	(7,219,093)	(3,110,300)
IX Expense recognized in the statement of P & LAIC		
Current Service Cost	1,285,827	1,007,728
Interest cost	241,670	34,838.00
Past Service Cost- (non vested benefits)	–	
past Service Cost "(vested benefits)	–	
Unrecognised Past Service Cost- non vested benefits	–	
Expected Return on Plan Assets	–	
Net Actuarial (Gain)/Loss recognized for the period	2,581,296	1,669,589
Expense recognized in the statement of P & L AIC	4,108,793	2,712,155
X Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	3,110,300	398,145.00
Expenses as above	4,108,793	2,712,155
Contribution paid	–	
Closing Net Liability	7,219,093	3,110,300
XI Revised Schedule VI		
Current Liability	1,182,639	332,474
Non-Current Liability	6,036,454	2,777,826

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 Private Limited

NOTES TO FINANCIAL STATEMENT

4. MOPE Investment Advisors Private Limited (MOPE)
5. 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. VISU Associates - Partnership firm
18. OSAG Enterprises LLP

II. Transactions with related parties: 31-03-2016

Particulars	Name of the related Party	Holding Company (A)		Fellow Subsidiaries (B)		Total	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Rent Expense / (Income)	Motilal Oswal Securities Limited	(10,953,900)	(10,953,900)	-	-	(10,953,900)	(10,953,900)
	Motilal Oswal Securities Limited	10,600,080	10,600,080	-	-	10,600,080	10,600,080
MOT - Cost	Motilal Oswal Financial Services Limited		2,232,484	-	-	-	2,232,484
	Motilal Oswal Securities Limited		1,488,138	-	-	-	1,488,138
Interest Expense / (Income)	Motilal Oswal Financial Services Limited	26,110,554	264,768	-	-	26,110,554	264,768
	Motilal Oswal Securities Limited	(38,684,361)	-	-	-	(38,684,361)	-
	Motilal Oswal Securities Limited	-	-	-	-	-	-
Advisory & Placement fees (Income) / Expense	Motilal Oswal Private Equity Advisors Private Limited	-	-	(3,858,099)	(3,105,000)	(3,858,099)	(3,105,000)
	Motilal Oswal Asset Management Company Limited	-	-	2,631,935	(1,168,996)	2,631,935	(1,168,996)
	Motilal Oswal Real Estate Investment Advisors II Private Limited	-	-	(66,204,560)	(31,532,078)	(66,204,560)	(31,532,078)
Brokerage Mutual Fund (Income)	Motilal Oswal Asset Management Company Limited	-	-	(19,068,163)	(6,501,492)	(19,068,163)	(6,501,492)
PMS Sharing (Income)	Motilal Oswal Asset Management Company Limited	-	-	(166,777,465)	(66,592,047)	(166,777,465)	(66,592,047)
Management Fees Expense	Motilal Oswal Asset Management Company Limited	-	-	-	153,047	-	153,047
Marketing Commission (Income)	Motilal Oswal Real Estate Investment Advisors II Private Limited	-	-	-	(1,883,750)	-	(1,883,750)
Brokerage Commission (Income) / Expense	Motilal Oswal Securities Limited	(48,475,989)	(36,184,837)	-	-	(48,475,989)	(36,184,837)
	Motilal Oswal Asset Management Company Limited			(1,545,863)	-	(1,545,863)	-
	MOPE Investment Advisors Pvt. Ltd.	-	-	58,721	-	58,721	-
Legal & Professional fee	Motilal Oswal Securities Limited	-	-	-	-	-	-
Loan (Taken) / Given (Maximum Balance)	Motilal Oswal Financial Services Limited	(417,583,351)	(16,500,000)	-	-	(417,583,351)	(16,500,000)
	Motilal Oswal Securities Limited	498,343,084	-	-	-	498,343,084	-
Outstanding Balances:							
Other Receivables / (Payables)	Motilal Oswal Asset Management Company Limited	-	-	18,324,390	39,555,738	18,324,390	39,555,738
	MOPE Investment Advisors Pvt. Ltd.	-	-	4,031,713	-	4,031,713	-
	Motilal Oswal Securities Limited	5,771,303	5,340,766	-	-	5,771,303	5,340,766
	Motilal Oswal Real Estate Investment Advisors II Private Limited	44,571,982	-	-	5,497,323	44,571,982	5,497,323
	Motilal Oswal Asset Management Company Limited	-	-	(497,361)	(428,330)	(497,361)	(428,330)
Payable for Expenses	Motilal Oswal Securities Limited	(323,481)	(475,836)	-	-	(323,481)	(475,836)
	Motilal Oswal Financial Services Limited	(440,028)	(459,105)	-	-	(440,028)	(459,105)
Deposit rent refundable	Motilal Oswal Securities Limited	(176,910)	(176,910)	-	-	(176,910)	(176,910)
Loan Given / (Taken)	Motilal Oswal Financial Services Limited	(3,589,262)	(18,476)	-	-	(3,589,262)	(18,476)
	Motilal Oswal Securities Limited	127,449,390	-	-	-	127,449,390	-

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

NOTES TO FINANCIAL STATEMENT

Note 28 : 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

Capital Commitments:

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advances) is ₹ 16,236 (Previous Year : ₹ Nil)

Note 29 : 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 ₹ 7,70,000 (Previous year : Nil)
b) Amount spent during the period ended 31st March, 2016 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	780,000	–	780,000
b) on Purposes other than (a) above			
– Dr.Batras Positive Health Foundation (Set Up For Health & Family Welfare, Hiv/Aids)	38,000	–	38,000
– Friends Of Tribals Society (For the purpose of upliftment of tribals and other deprived in rural India, by providing basic education to their children and giving the villagers health care education, development education and empowerment education)	100,000	–	100,000
– Vedant Foundation	75,000	–	75,000
Total	993,000	–	993,000

Note 30 :

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

For P B K & Co.

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

M.No. : 111592

Place : Mumbai

Dated : 22nd April, 2016

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

Harsh Joshi

Director

DIN No: 2951058

Ajay Menon

Director

DIN No: 00024589

Motilal Oswal Asset Management Company Limited

Annual Report 2015-2016

INDEPENDENT AUDITORS' REPORT

To the Members of **MOTILAL OSWAL ASSET MANAGEMENT COMPANY LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Motilal Oswal Asset Management Company Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2016, 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 Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016 and its profit and its cash flows for the year ended on that date.

Other Matters

During the year, the company has revised its accounting policy for amortizing the upfront distribution cost; the impact of this revision is an increase in profit after tax by Rs 1,620 lakhs in the profit & loss account.

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 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:

INDEPENDENT AUDITORS' REPORT *(Contd..)*

- 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;
- 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 statements 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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 control 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 Auditor) Rule 2014, in our opinion to the best of our information and according to the explanations given to us:
 - i) there are no pending litigations on its financial position in the financials statement that need to be disclosed by the Company.
 - ii) the Company has not entered in to any long term contracts including derivatives contract. Hence provision for material foreseeable losses does not arise.
 - iii) there are no amount that need to transferred to Investor Education and Protection Fund by the Company.

For **P B K & CO**
Chartered Accountants
Firm Registration No.:122384W

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: 21st April, 2016

INDEPENDENT AUDITORS' REPORT *(Contd..)*

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) The Company did not have any immovable properties at anytime during the year. Hence, the requirements of sub clause (c) to clause (i) of paragraph 3 of the said Order are not applicable to 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. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act for any activities of the Company.
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, 2016 which have not been deposited on account of any dispute.
8. According to the records of Company examined by us and the information and explanation given to us, the Company has not availed of any loans from the financial institutions or banks and has not issued debentures.
9. In our opinion, and according to the information and explanation given to us, no moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were not applied for the purposes for which those are raised.
10. During the course of our examination of books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud 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 managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by 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 Statements 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

INDEPENDENT AUDITORS' REPORT *(Contd..)*

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 **P B K & CO**

Chartered Accountants

Firm Registration No.:122384W

Premal H Gandhi

Partner

Membership No. 111592

Place: Mumbai

Date: 21st April, 2016

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 4 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Motilal Oswal Asset Management Company limited on the standalone* financial statements for the year ended 31st March 2016.

Report on the Internal Financial Controls over Financial Reporting 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 Asset Management Company Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements 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 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 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, to the extent applicable to an audit of internal financial controls, 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 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 judgement, including the assessment of the risks of material misstatement of the financial statements, 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.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

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 statements 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 statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 March 31, 2016, based on the essential components of internal control stated in the Guidance Note issued by ICAI.

For **P B K & CO**

Chartered Accountants

Firm Registration No.:122384W

Premal H Gandhi

Partner

Membership No. 111592

Place: Mumbai

Date: 21st April, 2016

BALANCE SHEET

Balance Sheet as at March 31, 2016

	Note No.	As on 31-Mar-16 (In ₹)	As on 31-Mar-15 (In ₹)
I EQUITY AND LIABILITIES			
Share holders' Funds :			
Share capital	1	650,000,000	650,000,000
Reserves and surplus	2	201,685,991	(62,627,434)
Non - Current Liabilities			
Long term provisions	3	5,589,547	3,506,854
Current Liabilities			
Short term borrowings	4	–	36,328,914
Trade payables	5	157,748,450	288,818,165
Other current liabilities	6	25,079,041	27,616,853
Short term provisions	7	88,083,463	45,744,708
TOTAL		1,128,186,492	989,388,061
II. ASSETS			
Non - Current Assets			
Fixed assets	8		
(i) Tangible assets		4,354,669	7,923,524
(ii) Intangible assets		5,795,794	5,314,591
Non- current Investments	9	478,498,760	465,168,750
Deferred tax assets (net)	10	3,595,351	–
Long term loans and advances	11	22,280,589	37,432,369
Current Assets			
Trade receivables	12	252,490,904	452,223,389
Cash and bank balances	13	76,386,968	1,951,990
Short term loans and advances	14	284,783,458	19,373,449
TOTAL		1,128,186,492	989,388,061

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

As per our attached report of even date

For P B K & Co.

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

Membership No. 111592

Place : Mumbai

Dated : 21st April, 2016

For and on behalf of the Board of

Motilal Oswal Asset Management Company Limited

Aashish Somaiya

Managing Director & CEO

DIN No: 06705119

Sarika Shah

Company Secretary & Compliance Officer

Raamdeo Agarawal

Director

DIN No: 0024533

Sameer Kamath

Chief Financial Officer

STATEMENT OF PROFIT AND LOSS

Statement of Profit and Loss for the year ended 31st March, 2016

	Note No.	For the Period ended 31-Mar-16 (In ₹)	For the Period ended 31-Mar-15 (In ₹)
REVENUE :			
Revenue from operations	15	1,848,686,338	874,391,476
Other income	16	1,855,576	3,947,909
Total Income		1,850,541,914	878,339,385
EXPENSES :			
Employee benefits	17	222,231,843	153,661,177
Finance costs	18	4,292,048	3,249,215
Depreciation and amortization expense	7	5,563,747	5,314,094
Other expenses	19	1,265,809,295	665,913,936
Total expenses		1,497,896,933	828,138,422
Profit/(Loss) before taxation		352,644,981	50,200,962
Prior year income		1,299,310	2,276,621
Profit/(Loss) before extraordinary items and tax		353,944,291	52,477,583
Tax expense:			
Current tax		77,916,841	7,147,993
MAT credit entitlement		15,309,376	(7,147,993)
Deferred tax		(3,595,351)	–
Profit / (Loss) for the year/ period		264,313,425	52,477,583
Earnings per equity share			
Basic		4.07	0.86
Diluted		3.91	0.84

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

As per our attached report of even date

For P B K & Co.

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

Membership No. 111592

Place : Mumbai

Dated : 21st April, 2016

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

Aashish Somaiya

Managing Director & CEO

DIN No: 06705119

Sarika Shah

Company Secretary & Compliance Officer

Raamdeo Agarawal

Director

DIN No: 0024533

Sameer Kamath

Chief Financial Officer

CASH FLOW STATEMENT

Cash flow statement as of 31st March 2016

Particulars	For the Year ended 31-Mar-16 (In ₹)	For the Year ended 31-Mar-15 (In ₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	352,644,981	50,200,963
Adjustment for		
Interest paid	4,292,048	3,249,215
Profit on sale of investment	(1,555,637)	–
Depreciation	5,563,747	5,314,094
Interest received	(344,774)	(76,536)
Dividend income	–	(3,854,254)
Adjustment for working capital changes		
Increase/(Decrease) other long term provision	–	–
Increase/(Decrease) in long term liabilities	2,082,693	1,277,660
Increase/(Decrease) in trade payables	(131,069,715)	226,279,299
Increase/(Decrease) in other current liabilities	(2,537,812)	19,132,990
Increase/(Decrease) in short-term provision	36,266,324	30,785,934
(Increase)/Decrease in trade receivable	199,732,484	(316,325,454)
(Increase)/Decrease in long-term loans and advances	18,738,019	(12,143,050)
(Increase)/Decrease in short-term loans and advances	(271,373,389)	(10,999,857)
(Increase)/Decrease in other current assets	–	51,782
CASH GENERATED FROM OPERATIONS	212,438,969	(7,107,216)
Taxes Paid (Net of Refunds)	(84,776,646)	8,401,519
Prior period income (recovery of MF Distribution cost & recovery of cost from MOMF against MF Sharing)	1,299,311	2,276,622
NET CASH FROM OPERATING ACTIVITIES	128,961,634	(13,232,113)
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received on fixed deposits & others	344,774	76,536
Purchase of fixed assets	(2,476,094)	(5,811,130)
Sale of investment	561,555,637	0
Investments in Mutual Funds	(10,000,000)	(460,000,001)
Investments in Equity Shares	–	(500,000)
Investments in Subsidiary - Equity Shares	–	(62)
Investments in Subsidiary - Share Application Money	–	(4,668,688)
Investments in Subsidiary - Share Application Money (Allotment Pending)	(3,330,010)	–
Dividend income	0	3,854,254
Investment in Mutual Fund	(560,000,000)	–
NET CASH FLOW FROM INVESTING ACTIVITIES	(13,905,693)	(467,049,090)

CASH FLOW STATEMENT *(Contd..)*

Particulars	For the Year ended 31-Mar-16 (In ₹)	For the Year ended 31-Mar-15 (In ₹)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(Decrease) Short-term Borrowings	(36,328,914)	36,328,914
Increase in share capital	–	300,000,000
Interest paid	(4,292,048)	(3,249,215)
NET CASH FLOW FROM FINANCING ACTIVITIES	(40,620,962)	333,079,699
NET CASH FLOW FOR THE YEAR	74,434,979	(147,201,504)
Cash and bank balance		
Scheduled Bank - in current account	1,951,990	79,153,495
Fixed deposit with banks	–	70,000,000
Total Cash and bank balances as at beginning of year	1,951,990	149,153,495
Cash and bank balances as at end of year :	311,800	
Scheduled Bank - In Current Account	76,075,168	1,951,990
Total Cash and bank balances as at end of year	76,386,968	1,951,990

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 P B K & Co.

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

Membership No. 111592

Place : Mumbai

Dated : 21st April, 2016

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

Aashish Somaiya

Managing Director & CEO

DIN No: 06705119

Sarika Shah

Company Secretary & Compliance Officer

Raamdeo Agarawal

Director

DIN No: 0024533

Sameer Kamath

Chief Financial Officer

NOTES TO FINANCIAL STATEMENT

Note 1 : Share Capital

	As at 31-Mar-16		As at 31-Mar-15	
	In Numbers	In ₹	In Numbers	In ₹
Authorised :				
Equity Shares of ₹ 10 each	65,000,000	650,000,000	65,000,000	650,000,000
Issued, Subscribed and Paid Up :				
Equity shares of ₹ 10 each fully paid up	65,000,000	650,000,000	65,000,000	650,000,000
TOTAL	65,000,000	650,000,000	65,000,000	650,000,000

[All the above shares are held by Motilal Oswal Securities Limited, the holding company]

Note 2 : Reserves and surplus

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Profit/(Deficit) in the statement of profit and loss		
Opening balance	(62,627,434)	(114,866,896)
Add: Net profit / (loss) transferred from Statement of Profit and Loss	264,313,425	52,477,584
Less: Transitional Depreciation	—	(238,121)
(-) Transfer to Reserves		
Closing balance	201,685,991	(62,627,434)

Note 3 : Long term provisions

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Provision for gratuity	5,589,547	3,506,854
TOTAL	5,589,547	3,506,854

Note 4 : Short term borrowings

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
(unsecured unless otherwise mentioned)		
Loans repayable on demand		
- from Related Parties parties	—	36,328,914
Total	—	36,328,914

Note 5 : Trade payables

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Sundry creditors	157,748,450	288,818,165
Total	157,748,450	288,818,165

NOTES TO FINANCIAL STATEMENT

Note 6 : Other current liabilities

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Salaries and others	534,903	325,944
Withholding and other taxes payable	4,611,327	19,603,770
Creditors for expenses	13,524,064	7,538,845
Other payables	6,408,748	148,295
Total	25,079,041	27,616,853

Note 7 : Short term provisions

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Provision for ex-gratia	62,245,057	44,442,740
Provision for gratuity	891,125	809,029
Provision for expenses	18,874,850	492,939
Provision for tax	6,072,431	–
Total	88,083,463	45,744,708

Note 8 : Fixed Assets

(in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As At 01-Apr-2015	Additions	Deduction	As At 01-Apr-2016	As At 01-Apr-2015	Additions	Additions	As At 01-Apr-2016	As At 01-Apr-2016	As At 01-Apr-2015	
Customer rights to portfolio management clients	3,834,987			3,834,987	3,407,660	427,327		3,834,987	427,327	–	
Computer Software	5,560,400	2,112,403		7,672,803	673,135	1,203,873		1,877,008	4,887,265	5,795,795	
Renovation To Leased Office Premises	13,093,321			13,093,321	7,939,500	2,580,432		10,519,932	5,153,821	2,573,389	
Furniture	2,818,270			2,818,270	1,509,723	418,898		1,928,621	1,308,547	889,649	
Office Equipments	149,486	153,089		302,575	148,518	32,011		180,529	968	122,046	
Computer-1	4,569,664	210,602		4,780,266	3,404,076	788,730		4,192,806	1,165,588	587,460	
Car	1,780,375			1,780,375	1,485,777	112,475		1,598,253	294,598	182,122	
Total	31,806,503	2,476,094	–	34,282,597	18,568,390	5,563,746	–	24,132,136	13,238,113	10,150,461	

NOTES TO FINANCIAL STATEMENT

Note 9 : Non-Current Investments

Name of the Body Corporate	JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)			Amount	
		31-Mar-16	31-Mar-15			31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15	
Non Trade Investments										
Investment in equity instruments										
Investment In MOAM(M) Pvt. Ltd.	Subsidiary	75,000	1	Unquoted	Fully paid-up	100%	–	4,668,750	62	
Investment In MOAM(M) Pvt. Ltd.	Subsidiary	Pending Allotment		Unquoted				3,330,000		
Share Application Money Pending Allotment with Investment In MOAM(M) Pvt. Ltd.	Subsidiary	–	–	Unquoted				–	4,668,688	
Investment in Equity Shares Of MF Utilities India Pvt. Ltd.				Unquoted				500,000	500,000	
Investment in Equity Shares of Aspire Home Finance Corporation Ltd	Subsidiary	1	–	Unquoted	Fully paid-up			10	–	
Investment in Mutual Funds										
Motilal Oswal MOST Focused Midcap 30 Fund - Direct Plan Growth	Others	12,910,454	12,910,454	Quoted	–	–	–	180,000,000	180,000,000	
Motilal Oswal MOST Focused Multicap 35 Fund - Direct Dividend Reinvestment	Others	3,000,000	3,000,000	Quoted	–	–	–	30,000,000	30,000,000	
Motilal Oswal MOST Focused Multicap 35 Fund - Direct Growth	Others	23,290,696	23,290,696	Quoted	–	–	–	250,000,000	250,000,000	
Motilal Oswal MOST Focused Midcap 25 Fund	Others	306,557	–					5,000,000	–	
Investment in Short Tem Ultra Bond	Others	438,043	–					5,000,000	–	
Total								478,498,760	465,168,750	

Details of quoted and unquoted investments:	Cost	Market Value
Aggregate value of quoted investments and market value	460,000,000	445,177,723
Aggregate value of unquoted investments	18,498,760	Not Applicable
Aggregate provision for diminution in value of investments	Nil	Not Applicable

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Investment in Subsidiaries Company		
Investment In MOAM(M) Pvt. Ltd. (Equity Share of 1 USD)	7,998,750	62
Share Application Money Pending Allotment with Investment In MOAM(M) Pvt. Ltd.	–	4,668,688
Others		
Investment in Equity Shares Of MF Utilities India Pvt. Ltd.	500,000	500,000
Motilal Oswal MOST Focused Midcap 30 Fund - Direct Plan Growth	180,000,000	180,000,000
Motilal Oswal MOST Focused Multicap 35 Fund - Direct Dividend Reinvestment	30,000,000	30,000,000
Motilal Oswal MOST Focused Multicap 35 Fund - Direct Growth	250,000,000	250,000,000
Motilal Oswal MOST Focused Midcap 25 Fund	5,000,000	–
Investment in Short Tem Ultra Bond	5,000,000	–
Investment in Shares	10	–
Total	478,498,760	465,168,750

NOTES TO FINANCIAL STATEMENT

Note 10 : Deferred taxes

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Deferred tax assets		
Carry forward losses	–	(27,493,712)
Provision for gratuity	2,242,831	1,333,608
Difference in net block of fixed assets	1,352,520	2,749,780
Restricted to ₹	3,595,351	(23,410,324)

Note 11 : Long term loans & advances

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Other loans and advances		
Unsecured, considered good		
Prepaid expenses (LT)	1,631,635	5,008,476
MAT credit entitlement	–	15,361,178
Taxes Paid	20,648,954	17,062,715
Total	22,280,589	37,432,369

Note 12 : Trade receivables

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Unsecured, considered good		
Secured, considered good		
Debts outstanding for a period exceeding six months	22,116,631	2,876,623
Unsecured, considered doubtful (USD)		
Others	230,374,273	449,346,766
Unsecured, considered good		
Total	252,490,904	452,223,389

Note 13 : Cash and bank balances

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Cash and cash equivalents		
Cash on hand	311,800	–
Balances with banks		
- In current accounts	76,075,168	1,951,990
- In fixed deposit accounts	–	
Total	76,386,968	1,951,990

NOTES TO FINANCIAL STATEMENT

Note 14 : Short term loans and advances

	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Unsecured, considered good		
Loans to employees	103,675	40,487
Other loans and advances (ST)	6,255,221	1,593,931
Prepaid expenses	252,376,029	5,654,641
Taxes Paid	–	5,963,379
Other tax credit receivable	–	
Other deposits	6,121,011	6,121,010
Service Tax Credit Receivable (Net of provisions)	19,927,522	
Total	284,783,458	19,373,449

Note 15 : Revenue from operations

	For the Period Ended 31-Mar-16 In ₹	For the Period Ended 31-Mar-15 In ₹
Investment management and advisory fees	677,904,316	111,435,223
Portfolio management fees	1,170,782,021	762,956,252
Total	1,848,686,338	874,391,476

Note 16 : Other income

	For the Period Ended 31-Mar-16 In ₹	For the Period Ended 31-Mar-15 In ₹
Gain on sale of investments	1,555,637	–
Dividend received on investment in mutual fund units	–	3,854,254
Net gain/loss on foreign currency transactions and translation	(44,835)	17,119
Interest received on deposits with banks and others	344,774	76,536
Total	1,855,576	3,947,909

Note 17 : Employee benefits

	For the Period Ended 31-Mar-16 In ₹	For the Period Ended 31-Mar-15 In ₹
Salaries and incentives	213,173,242	149,160,199
Contribution to provident fund	2,693,314	1,478,806
Gratuity	3,136,378	1,817,286
Staff welfare expenses	3,228,909	1,204,886
Total	222,231,843	153,661,177

NOTES TO FINANCIAL STATEMENT

Note 18 : Finance cost

	For the Period Ended 31-Mar-16 In ₹	For the Period Ended 31-Mar-15 In ₹
Interest on borrowings	4,292,048	3,249,215
Total	4,292,048	3,249,215

Note 19 : Other expenses

	For the Period Ended 31-Mar-16 In ₹	For the Period Ended 31-Mar-15 In ₹
Distribution cost and Spillover expense		
- for mutual fund schemes	308,760,138	62,652,321
- for portfolio management services	757,397,485	489,647,386
Depository and processing charges	9,154,346	3,451,156
Rent	12,153,246	12,133,020
Rates and taxes	17,375	17,131
Insurance	1,690,703	1,138,345
Computer maintenance	3,950,634	2,201,988
Registration and filing charges	301,113	5,557,201
Legal and professional fees	21,933,973	9,622,844
Auditors' remuneration (refer note 22)	109,043	104,864
Marketing and brand promotion expenses	39,531,948	26,662,627
Advertisement expenses	49,178,423	7,351,382
Printing and stationery	6,326,638	5,708,227
Power and fuel	2,065,431	2,315,265
Communication expenses	6,704,462	9,026,678
Travelling and conveyance expenses	20,320,239	15,947,244
Stamp and postage charges	9,840,669	3,118,042
Entertainment expenses	7,593,475	4,734,103
Data processing charges	2,410,898	1,332,746
Miscellaneous expenses	4,259,056	3,086,366
Donation	2,110,000	105,000
Total	1,265,809,295	665,913,936

Note 20 : Background

Motilal Oswal Asset Management Company Limited (MOAMC the Company) was incorporated on November 14, 2008. The principal shareholder of the Company as at March 31, 2016 is Motilal Oswal Securities Limited (MOSL).

The Company's principle activity is to provide, investment management and administrative services to the Schemes of Motilal Oswal Mutual Fund (the Fund), portfolio management services and investment advisory services to offshore funds.

Pursuant to the approval granted by the Securities and Exchange Board of India (SEBI) dated June 30, 2010, the Company has entered into an agreement with MOSL for assignment of the portfolio management services business of MOSL with effect from September 16, 2010.

NOTES TO FINANCIAL STATEMENT

Note 21 : Significant Accounting Policies:

(a) Basis of preparation

The financial statements of the Company are prepared under the historical cost convention, on the accrual basis of accounting and comply in all material respects with the generally accepted accounting principles in India, the applicable accounting standards notified under Section 133 of the Companies Act, 2013, 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.

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

(c) Property, plant & equipments and depreciation/Amortization

Property, plant & 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.

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

- Improvements to leasehold premises are depreciated over the initial period of lease.
- Customer rights to portfolio management clients and computer software are amortized over a period of five years.

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.

(d) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset (tangible and intangible) 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 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 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.

NOTES TO FINANCIAL STATEMENT

(f) Revenue Recognition

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

– Investment management fees

Investment Management fees are recognized on an accrual basis in accordance with Investment Management Agreement and SEBI (Mutual Fund) Regulations, 1996, based on daily average assets under management (AUM) of the Schemes of Motilal Oswal Mutual Fund.

– Investment advisory and portfolio management fees

Investment advisory fee is recognized on an accrual basis in accordance with the terms of the contract with the clients. Portfolio management fees are recognized on an accrual basis in accordance with the Portfolio Management Agreement entered with respective clients.

– Profit or loss on sale of investments

The gains/ losses on sale of investments are recognized in the statement of profit and loss on the trade date. Profit or loss on sale of investments is determined on average cost basis.

– Interest and dividend income

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

(g) Distribution Cost for Portfolio Management Services

Distribution cost for Portfolio Management Services are charged to statement of profit and loss on accrual basis.

(h) Foreign Currency Transactions

Transactions in foreign currencies are recognized at the prevailing exchange rates on the transaction date. Realized gains or losses on settlement of foreign currency transactions are recognized in the statement of profit and loss. Foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange difference is recognized in the statement of profit and loss.

(i) Employee Benefits

Long term employee benefits

Defined contribution plan

The Company has a defined contribution plan for post employment benefits in the form of Provident Fund. Under the provident fund plan, the Company contributes to a Government administered provident fund on behalf of employees. The Company has no further obligation beyond making the contributions.

The Company's contribution to the above Plan is charged to the statement of profit and loss as incurred.

Defined benefit plan

The Company has a defined benefit plan for post employment benefits in the form of Gratuity. The Company accounts for gratuity based on an actuarial valuation which is carried out by an independent actuary as at the year end. The actuarial valuation method used by the actuary for measuring the liability is 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.

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.

(j) Fund related expenses

New Fund Offer expenses

Expenses relating to initial issue of Mutual Fund Schemes of Motilal Oswal Mutual Fund are charged to the statement of profit and loss in the year in which such expenses are incurred.

Recurring fund expenses

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

NOTES TO FINANCIAL STATEMENT

(k) 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.

(l) Taxes on income

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

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

Deferred tax

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.

(m) Earnings per share

Basic earning per share is computed by dividing net profit or loss for the period 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 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) 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 22 : Taxation

In current year the company has utilised MAT credit entitlement of ₹ 15,309,376/- and in previous year the company has recognised MAT credit entitlement of ₹ 7,147,993/- in accordance with the provisions of the Guidance Note on Accounting for Credit available in respect of Minimum Alternate Tax under the Income Tax Act 1961 issued by the Institute of Chartered Accountants of India.

Note 23 :

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.

NOTES TO FINANCIAL STATEMENT

Note 24 : Auditor's Remuneration : -

	April 1, 2015 to March 31, 2016 In ₹	April 1, 2014 to March 31, 2015 In ₹
As Auditors:		
Audit fees	83,500	75,000
Out of pocket expenses	-	-
Other matters	85,500	29,864
TOTAL	169,000	104,864

Note 25 :

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:

	31-Mar-16	31-Mar-15
I Assumptions as at		
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest / Discount Rate	7.49%	7.77%
Rate of increase in compensation	10.00%	6.00%
Rate of return (expected) on plan assets	-	-
Employee Attrition Rate(Past Service (PS))	PS: 0 to 37 : 18.6%	PS: 0 to 37 : 19.1%
Expected average remaining service	4.23	4.12
II Changes in present value of obligations (PVO)		
PVO at beginning of year	4,315,883	2,631,530
Interest cost	297,598	224,443
Current Service Cost	1,824,234	1,500,999
Past Service Cost- (non vested benefits)	-	-
Past Service Cost -(vested benefits)	-	-
Benefits Paid	(971,589)	(132,933)
Actuarial (Gain)/Loss on obligation	1,014,546	91,844
PVO at end of year	6,480,672	4,315,883
III Changes in fair value of plan assets		
Fair Value of Plan Assets at beginning of year	-	-
Expected Return ori Plan Assets	-	-
Contributions	971,589	132,933
Benefit Paid	(971,589)	(132,933)
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	971,589	132,933
Benefit Paid	(971,589)	(132,933)
Fair Value of Plan Assets at end of year	-	-
Funded Status (including unrecognised past service cost)	(6,480,672)	(4,315,883)
Excess of actual over estimated return on Plan Assets	-	-
V Experience History		
(Gain)/Loss on obligation due to change in Assumption	935,883	142,612
Experience (Gain)/ Loss on obligation	78,663	(50,768)
Actuarial Gain/(Loss) on plan assets	-	-

NOTES TO FINANCIAL STATEMENT

	31-Mar-16	31-Mar-15
VI Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the year (Obligation)	(1,014,546)	(91,844)
Actuarial Gain/(Loss) for the year (Plan Assets)	-	-
Total Gain/(Loss) for the year	(1,014,546)	(91,844)
Actuarial Gain/(Loss) recognized for the year	(1,014,546)	(91,844)
Unrecognized Actuarial Gain/(Loss) at end of year	-	-
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 and loss		
PVO at end of period	6,480,672	4,315,883
Fair Value of Plan Assets at end of year	-	-
Funded Status	(6,480,672)	(4,315,883)
Unrecognized Actuarial Gain/(Loss)	-	-
Unrecognised Past Service Cost- non vested benefits	-	-
Net Asset/(Liability) recognized in the balance sheet	(6,480,672)	(4,315,883)
IX Expense recognized in the statement of profit and loss		
Current Service Cost	1,824,234	1,500,999
Interest cost	297,598	224,443
Past Service Cost- (non vested benefits)	-	-
Past Service Cost - (vested benefits)	-	-
Unrecognised Past Service Cost- non vested benefits	-	-
Expected Return on Plan Assets	-	-
Net Actuarial (Gain)/Loss recognized for the year	1,014,546	91,844
Expense recognized in the statement of profit and loss	3,136,378	1,817,286
X Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	4,315,883	2,631,530
Expenses as above	3,136,378	1,817,286
Contribution paid	(971,589)	(132,933)
Closing Net Liability	6,480,672	4,315,883
XI Revised schedule VI		
Current liability	891,125	809,029
Non-current liability	5,589,547	3,506,854

Note 26 :

During the year ₹ 1,21,53,246/- being lease rentals for premises for the current year are recognized in the statement of profit and loss under the head " Rent ".

Operating Lease Commitments

Particulars	As at 31-Mar-16 In ₹	As at 31-Mar-15 In ₹
Payable within 1 year	12,133,020	12,133,020
Payable after 1 year but not later than 5 years	12,133,020	24,266,040
TOTAL	24,266,040	36,399,060

NOTES TO FINANCIAL STATEMENT

Note 27 : Segment Reporting

The Company's principle activity is to provide, investment management and administrative services to the Schemes of Motilal Oswal Mutual Fund (the Fund), portfolio management services and investment advisory services to offshore funds. In the opinion of management, the risks and rewards attached to all the above services are similar in nature. Hence 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's operations are restricted to single segment i.e. asset management services.

Note 28 : Earnings per share

The numerator and denominators used to calculate basic and diluted earnings per share are as under:

Basic Earnings per share

Particulars	April 1, 2015 to March 31, 2016 In ₹	April 1, 2014 to March 31, 2015 In ₹
Profit / (Loss) attributable to equity shareholders (₹) [A]	264,313,425	52,477,584
Weighted average number of equity shares outstanding during the year (Face value of ₹ 10 each) [B]	65,000,000	61,260,274
Basic Earnings per share (₹) [A] / [B]	4.07	0.86

Diluted Earnings per share

Particulars	April 1, 2015 to March 31, 2016 In ₹	April 1, 2014 to March 31, 2015 In ₹
Profit / (Loss) attributable to equity shareholders (₹)	264,313,425	52,477,584
Less : Impact on Net profit due to exercise of diluted potential equity shares	–	–
Net Profit attributable to equity shareholders for calculation of Diluted EPS (₹) [A]	264,313,425	52,477,584
Weighted average number of equity shares outstanding during the year (Face value of ₹ 10 each)	65,000,000	61,260,274
Weighted Number of additional equity shares outstanding for Diluted EPS	2,519,284	1,417,565
Weighted Number of equity shares outstanding for Diluted EPS [B]	67,519,284	62,677,839
Diluted Earnings per share (₹) [A] / [B]	3.91	0.84

Note 29 : Transactions in foreign currency

(i) Revenue in foreign currency :

Particulars	April 1, 2015 to March 31, 2016 In ₹	April 1, 2014 to March 31, 2015 In ₹
Investment Management fees	453,780	2,130,028

NOTES TO FINANCIAL STATEMENT

(ii) Expenditure in foreign currency :

Particulars	April 1, 2015 to March 31, 2016 In ₹	April 1, 2014 to March 31, 2015 In ₹
Travel and conveyance	2,345,000	123,026
Communication expenses	–	6,782
Data subscription charges	–	563,087
Entertainment	63,608	45,763
Software Charges	–	973,750
Legal and professional fees	1,647,015	1,170,248
TOTAL	4,055,623	2,882,656

Note 30 : Related party transactions

(i) Relationships during the year

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

Subsidiaries

- Motilal Oswal Asset Management (Mauritius) Private Limited

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 Private 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
- 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
- VISU Associates - Partnership firm
- OSAG Enterprises LLP

Key management personnel

- Raamdeo Agrawal – Director
- Aashish Somaiyaa – Managing Director

Relative of Key management personnel

- Suneeta Agrawal (Wife of Raamdeo Agrawal)

Enterprises in which key management personnel exercise significant influence

- Motilal Oswal Foundation

NOTES TO FINANCIAL STATEMENT

(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.

Transaction	Name of the related Party	Holding Company / Subsidiary company (A)		Key Managerial Personnel / Relative of KMP (B)		Total (A+B)	
		For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2015
Interest Paid	Motilal Oswal Financial Services Limited	4,292,048	3,249,215	–	–	4,292,048	3,249,215
Rent Paid	Motilal Oswal Financial Services Limited	12,133,032	12,133,020			12,133,032	12,133,020
Brokerage on distribution of mutual fund	Motilal Oswal Securities Limited	30,501,891	21,364,942	–	–	30,501,891	21,364,942
Brokerage on distribution of portfolio management services	Motilal Oswal Securities Limited	216,240,486	205,605,493	–	–	216,240,486	205,605,493
Business Support Charges	Motilal Oswal Securities Limited	454,555	418,950			454,555	418,950
Brokerage on distribution of portfolio management services	Motilal Oswal Wealth Management Private Limited	142,957,399	66,592,047	–	–	142,957,399	66,592,047
Brokerage on distribution of mutual fund	Motilal Oswal Wealth Management Private Limited	19,068,163	741,213	–	–	19,068,163	741,213
Sharing of advisory fees	Motilal Oswal Wealth Management Private Limited	–	1,168,997			–	1,168,997
Marketing Commission	Motilal Oswal Wealth Management Private Limited	1,545,863	3,283,894			1,545,863	3,283,894
Investment Advisory fees (Received) / Paid	Motilal Oswal Wealth Management Private Limited	(2,631,935)	(379,115)			(2,631,935)	(379,115)
Rent Deposit	Motilal Oswal Financial Services Limited	6,066,510	6,066,510			6,066,510	6,066,510
Portfolio management services fee	Raamdeo Agarwal	–	–	37,540	24,138	37,540	24,138
	Suneeta Agarwal	–	–	1,310,209	394,123	1,310,209	394,123
Reimbursemt of TDS	Motilal Oswal Commoditis Broker Pvt Ltd	–	1,607			–	1,607
Reimbursement of Electricity Charges	Motilal Oswal Financial Services Limited	1,224,982	2,315,265			1,224,982	2,315,265
Reimbursemt of Common Cost	Motilal Oswal Financial Services Limited	1,222,657	1,186,557			1,222,657	1,186,557
Managerial remuneration	Aashish Somaiyaa/Nitin Rakesh//Trupti Vyas/Sarika Shah/Raamdeo Agarwal	–	–	16,300,000	13,100,230	16,300,000	13,100,230
Subscription to Equity Share Capital	Motilal Oswal Securities Limited	–	(300,000,000)	–	–	–	(300,000,000)
Loans taken during the year	Motilal Oswal Financial Services Limited	701,161,172	493,019,808			701,161,172	493,019,808
Loan (repaid) during the year	Motilal Oswal Financial Services Limited	(741,853,190)	(459,615,186)	–	–	(741,853,190)	(459,615,186)
Loans taken (Maximum balance)	Motilal Oswal Financial Services Limited	222,706,946	76,731,594			222,706,946	76,731,594
Outstanding Balances:							
Loans	Motilal Oswal Financial Services Limited	–	(36,328,914)			–	(36,328,914)
Trade Receivables	Motilal Oswal Wealth Management Private Limited	497,362	–	–	–	497,362	–
Trade Payables	Motilal Oswal Wealth Management Private Limited	(18,324,390)	(39,269,992)			(18,324,390)	(39,269,992)
	Motilal Oswal Securities Limited	(14,910,853)	(145,991,615)	–	–	(14,910,853)	(145,991,615)
Other Payables	Motilal Oswal Financial Services Limited	(719,826)	(830,410)	–	–	(719,826)	(830,410)
Prepaid Expenses	Motilal Oswal Securities Limited	41,460,551	–	–	–	41,460,551	–
	Motilal Oswal Wealth Management Private Limited	23,820,067	–	–	–	23,820,067	–

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

NOTES TO FINANCIAL STATEMENT

Note 31 :

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for is ₹ 29,02,955/- (Previous Year: ₹ 22,96,393).

Note 32 :

Effective 1st April 2015, the Company has amortized the upfront distribution costs incurred on the inflows of its Portfolio management Schemes over a period in which future economic benefits are expected to arise to the company. This change would result in a more appropriate presentation of the financial statements of the company. Pursuant to this change, Profit after tax for the year ended 31st March 2016 has increased by ₹ 1,620 lakhs.

Note 33 :

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

Note 34 : Disclosure relating to Employee Stock Option Purchase Plan

Details of Stock options

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 July 22 , 2010 and by the members at the meeting held on July 21, 2010) and is for grant of 2,000,000 Equity shares of ₹ 10 each).

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

The ESOP - II was approved by the Board of Directors at the allotment committee meeting on June 26 , 2014 for grant of 3,250,000 Equity shares of ₹ 10 each.

The activity in the (ESOS-I) and ESOS (II) during the year ended March 2016 and March 2015 is set below:

	For the Year Ended 31-Mar-16		For the Year Ended 31-Mar-15	
	In Numbers	Weighted Average Exercise Price	In Numbers	Weighted Average Exercise Price
The MOAMC (ESOS-I) : (Face value of ₹ 10/- each)				
Option outstanding, beginning of the year	170,000	10.00	170,000	10.00
Add: Granted	–	NA	–	NA
Less: Exercised	–	NA	–	NA
Less: Forfeited	–	NA	–	NA
Less: Lapsed	–	NA	–	NA
Option outstanding, end of the year	170,000	10.00	170,000	10.00
Exercisable at the end of the period	–	–	–	–
The MOAMC (ESOS-II) : (Face value of ₹ 10/- each)				
Option outstanding, beginning of the year	3,250,000	10.00	–	NA
Add: Granted	–	NA	3,250,000	16.77
Less: Exercised	–	NA	–	NA
Less: Forfeited	–	NA	–	NA
Less: Lapsed	–	NA	–	NA
Option outstanding, end of the year	3,250,000	10.00	3,250,000	16.77
Exercisable at the end of the period	–	–	–	–

NOTES TO FINANCIAL STATEMENT

Employees' Stock Options Scheme (ESOS) :

During the year Nil Employee Stock Options (Previous Year 32,50,000) have been granted to the employees of the company.

The Company has adopted intrinsic value method of accounting Employee Compensation Cost in respect of ESOS. The intrinsic value of shares is excess of market price of the shares under ESOS over the exercise price. Employee Compensation Cost is accounted for by amortizing the intrinsic value on the straight line basis over the vesting period. The total amount to be amortized as at March 31, 2016 over the balance vesting period is ₹ NIL (Previous year- Nil)

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	1,510,000	2,925,000
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
Weighted Average Remaining Contractual Life		
CY -Granted but not Vested	–	1.51 Years
CY -Vested but not exercised	1.50 Years	2.25 Years
Weighted Average Remaining Contractual Life		
LY -Granted but not Vested	0.01 Year	2.26 Years
LY -Vested but not exercised	1.01 Years	NA
Exercise Period	Within a period of 36 months from the date of vesting	Within a period of 84 months from the date of vesting
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	10	10

NOTES TO FINANCIAL STATEMENT

Exercise Pricing Formula

Scheme I

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

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

Scheme II

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

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

Other Information regarding Employee Share Based Payment Plan is as below

Particulars	2015-16	2014-15
Expense arising from employee share based payment plans	NIL	NIL
Expense arising from share and stock option Plan	NIL	NIL
Total carrying amount at the end of the period	NIL	NIL

Annexure II: 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 ₹ 10,60,000/- (Previous year ₹ 1,05,000/-)
- Amount spent during the period ended 31st March 2016 and 31st March 2015 on :

(Amount in ₹)

Particulars	April 1, 2015 to March 31, 2016			April 1, 2014 to March 31, 2015		
	Amount paid	Yet to be paid	Total Amount Paid	Amount paid	Yet to be paid	Total Amount Paid
Sholka Missionaries (Setting Up And Running English Medium Schools For Underprivileged Children)	1,000,000	–	1,000,000	–	–	–
International Foundation For Research And Education (Construction Of Ashoka University)	1,060,000	–	1,060,000	–	–	–
United Way Of Baroda	50,000	–	50,000	–	–	–
Muskaan Foundation (Providing Education To Children With Multiple Disabilities And Visual Impairment)	–	–	–	105,000	–	105,000
Total	2,110,000	–	2,110,000	105,000	–	105,000

NOTES TO FINANCIAL STATEMENT

For P B K & Co.

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

Membership No. 111592

Place : Mumbai

Dated : 21st April, 2016

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

Aashish Somaiya

Managing Director & CEO

DIN No: 06705119

Raamdeo Agarawal

Director

DIN No: 0024533

Sarika Shah

Company Secretary & Compliance Officer

Sameer Kamath

Chief Financial Officer

Motilal Oswal Trustee Company Limited

Annual Report 2015-2016

BOARD'S REPORT

To the Members,

Your Directors have pleasure in presenting the Seventh Annual Report together with the Audited Accounts of your Company for the financial year ended March 31, 2016.

Financial Highlights

Particulars	Amount (₹)	
	For the year ended March 31, 2016	For the year ended March 31, 2015
Income	1,221,950	1,220,570
Income/(Loss) before Interest, Depreciation and Taxation	8,76,382	853,359
Interest	–	–
Depreciation	–	–
Profit/(Loss) before Taxation	8,76,382	853,359
Provision for Taxation		
Current Tax	2,70,802	259,265
Deferred Tax Asset	–	–
Income/(Loss) for the period	6,05,579	577,834
Balance of Loss carried forward	1,227,681	6,22,102

Principal Activities

The Company is acting as 'Trustee' to Motilal Oswal Mutual Fund pursuant to the Trust Deed executed on May 21, 2009. Motilal Oswal Mutual Fund is registered with Securities Exchange Board of India (Mutual Funds) Regulations, 1996 under registration code no. MF/063/09/04 dated December 29, 2009.

As on March 31, 2016, Motilal Oswal Mutual Fund had 8 Schemes with the assets under management of ₹ 5,066.66 crores and the total number of investors in all its Schemes as on that date was 194,525. The Scheme wise details are as under:

S r. No.	Name of Scheme	As on March 31, 2016	
		AUM of the Scheme (₹ In Crore)	No. of Folios
1.	Motilal Oswal MOST Shares M50 ETF (MOST Shares M50)	22.69	4,348
2.	Motilal Oswal MOST Shares Midcap 100 ETF (MOST Shares Midcap 100)	36.05	3,838
3.	Motilal Oswal MOST Shares NASDAQ-100 ETF (MOST Shares NASDAQ 100)	77.27	2,868
4.	Motilal Oswal MOST Focused 25 Fund (MOST Focused 25)	378.85	24,394
5.	Motilal Oswal MOST Ultra Short Term Bond Fund (MOST Ultra Short Term Bond Fund)	216.19	4,148
6.	Motilal Oswal MOST Focused Midcap 30 Fund (MOST Focused Midcap 30)	917.98	39,281
7.	Motilal Oswal MOST Focused Multicap 35 Fund (MOST Focused Multicap 35)	3,294.32	94,720
8.	Motilal Oswal MOST Focused Long Term Fund (MOST Focused Long Term)	123.31	20,928
	Total	5,066.66	194,525

Capital and Holding Company

During the year, there was no change in Share Capital of the Company and the Company is continued to be a wholly owned subsidiary of Motilal Oswal Securities Limited.

Dividend and Reserves

There is no dividend declared for the financial year ended March 31, 2016.

During the year under review, the Company has transferred a sum of ₹ 6,05,579/- to Reserves and Surplus.

Directors

Mr. Sunil Goyal, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

The Board of Directors recommends the aforesaid re-appointment to the members.

Number of Board Meetings

The Board of Directors met six times in the Financial Year 2015-16.

The details of the meetings are as below:

Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
April 29, 2015	4	3
July 23, 2015	4	3
September 29, 2015	4	4
November 10, 2015	4	3
January 21, 2016	4	4
March 16, 2016	4	4

The Attendance of the Directors at the Board meeting is as below:

Name	No. Of Board Meetings Held	No. Of Meetings Attended
Mr. Motilal Oswal	6	6
Mr. Sunil Goyal	6	5
Mr. Brij Gopal Daga	6	6
Mr. Samir Shah	6	4

Business Risk Management

Directors' Responsibility Statement

Pursuant to section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the Profit of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis;
- (v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and the systems were adequate and operating effectively.

Particulars of Loans, Guarantees or Investments

The details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in notes to financial statements.

Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

In terms of Section 134(3)(h) of the Companies Act, 2013, the details of contracts / arrangements entered into with Related Parties are provided in Form AOC-2 and is enclosed as 'Annexure A' to this Report.

All Related Party Transactions are placed before the Audit Committee.

Development and Implementation of Risk Management Policy

The Company on a regular basis reviews its entity-wide Risk Management framework with an endeavor to enhance the control environment via risk mitigation and reducing the impact of risks within acceptable levels wherein due emphasis has been being given on identification, assessment and economic control of those risks that endanger the assets and earning capacity of the business.

BOARD'S REPORT (Contd..)

Details of significant and material orders passed by the Regulators or Courts or Tribunals

There were no significant and material orders passed by the Regulators or Courts or Tribunals during the year March 31, 2016.

Details of Subsidiaries

The Company is not having any subsidiary as on March 31, 2016.

Audit Committee

The Audit Committee comprises of Mr. Motilal Oswal, Mr. Sunil Goyal and Mr. Brij Gopal Daga, Directors of the Company.

Statutory Auditors

M/s. PBK & Co. (erstwhile known as M/s Premal H Gandhi, Chartered Accountants) are being appointed as Statutory Auditors for the term of 5 years. In compliance to the provisions of Section 139 of the Companies Act, 2013, the appointment of the auditors is to be ratified by the members at the forthcoming Annual General Meeting. M/s. PBK & Co. have given their consent for re-appointment. The members will be required to ratify the appointment of Auditors for the current financial year and fix their remuneration.

As required by the provisions of section 139(1) of the Companies Act, 2013, the Company has received a certificate from M/s. PBK & Co., to the effect that their re-appointment, if made, would be in conformity within the limits specified in that section.

Auditors Report

The Auditors Report to the Members on the Accounts of the Company for the financial year ended March 31, 2016 does not contain any qualification and is self-explanatory, hence does not call for any comment of Board.

Public Deposits

The Company has not accepted any deposits from the public or its employees during the year under review.

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

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

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

Annual Return

The extracts of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is enclosed as 'Annexure B' to this Report.

Particulars of employees as required under Section 197 of the Companies Act, 2013, read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The Company had no employee who was in receipt of remuneration of ₹ 60 lakh or more during the year ended March 31, 2016 or not less than ₹5 lakh per month during any part of the said year.

Material changes and commitment if any affecting the Financial Position of the Company occurred between the end of the financial year to which this Financial Statements relate and the date of the report

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate on the date of this report.

Acknowledgements

The Directors take this opportunity to place on record their gratitude for the valuable assistance, support and guidance received from Securities & Exchange Board of India, Reserve Bank of India and all government and regulatory bodies.

For and on behalf of the Board of
Motilal Oswal Trustee Company Limited

Motilal Oswal
Chairman
(DIN: 00024503)

Place : Mumbai
Date : 30th June, 2016.

ANNEXURE 1 TO THE BOARD'S REPORT

Form No. AOC-2

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

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

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

(Amount in ₹)

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

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

(Amount in ₹)

Sr. No.	Name of the Related Party	Nature of the relationship	Nature of Contract	Duration of Contract	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any
NIL						

*Materiality is defined as per Clause 49 of the Listing Agreement i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements of the Company.

For and on behalf of the Board of
Motilal Oswal Trustee Company Limited

Place : Mumbai
Date : 30th June, 2016

Motilal Oswal
Chairman
(DIN : 00024503)

ANNEXURE 2 TO THE BOARD'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March 2016

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

I. Registration and Other Details

i) CIN	U93090MH2008PLC188187
ii) Registration Date	14/11/2008
iii) Name of the Company	Motilal Oswal Trustee Company Limited
iv) Category / Sub Category of the Company	Company Limited by shares/ Indian Non Govt. Company
v) Address of the Registered Office and contact details	10th Floor, Motilal Oswal Tower, Rahimtullah Sayani Road, Opp. Parel ST Depot, Prabhadevi, Mumbai - 400025 Tel. No.: +91 22 3089 4263
vi) Whether Shares Listed On Recognized Stock Exchange(s)	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

II. Principal Business Activities of the Company

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Trustee Fees	6619	95

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Motilal Oswal Securities Limited	U65990MH1994PLC079418	Holding	100	2(46)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Bodies Corp.	-	100000	100000	100	-	100000	100000	100	0
Sub-total (A) (1):-	-	100000	100000	100	-	100000	100000	100	0
(2) Foreign	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	100000	100000	100	-	100000	100000	100	0

ANNEXURE 2 TO THE BOARD'S REPORT

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	-	100000	100000	100	-	100000	100000	100	0

(ii) Shareholding of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	No. of shares	% of the total shares of the company	% of the shares pledged / encumbered to total shares	
1.	Motilal Oswal Securities Limited	99994	99.99%	-	99994	99.99%	-	NIL
2.	Motilal Oswal Securities Limited jointly with Mr. Motilal Oswal	1	0.00%	-	1	0.00%	-	NIL
3.	Motilal Oswal Securities Limited jointly with Mr. Ramdeo Agarawal	1	0.00%	-	1	0.00%	-	NIL
4.	Motilal Oswal Securities Limited jointly with Ms. Vimla Oswal	1	0.00%	-	1	0.00%	-	NIL
5.	Motilal Oswal Securities Limited jointly with Ms. Suneeta Agarawal	1	0.00%	-	1	0.00%	-	NIL
6.	Motilal Oswal Securities Limited jointly with Mr. Navin Agarwal	1	0.00%	-	1	0.00%	-	NIL
7.	Motilal Oswal Securities Limited jointly with Mr. Ajay Menon	1	0.00%	-	1	0.00%	-	NIL
	Total	100000	100%	-	100000	100%	-	NIL

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year/ end of the year	Cumulative Shareholding during the year
		NIL	

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

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company

ANNEXURE 2 TO THE BOARD'S REPORT

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	*For Each of the Top 10 Shareholders	Designation	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NIL						

V. Indebtedness

Indebtedness of the Company including interest outstanding / accrued but not due for payment (Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	-	-	-	-
Net Change	-	NIL	-	NIL
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and / or Manager : (Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission as % of profit	-	-
5	Others, please specify Variable Incentives	-	-
	Total (A)	-	-
	Ceiling as per the Act		

*kindly refer the caption 'Particulars of Employees' of the Board Report.

B. Remuneration to other directors: (Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Sunil Goyal	Mr. B G Daga	Mr. Samir Shah	
1.	Independent Directors				
	• Fee for attending board / committee meetings	₹ 80,000/-	₹ 1,00,000/-	₹ 40,000/-	₹ 2,20,000/-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-

ANNEXURE 2 TO THE BOARD'S REPORT

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Sunil Goyal	Mr. B G Daga	Mr. Samir Shah	
	Total (1)	₹ 80,000/-	₹ 1,00,000/-	₹ 40,000/-	₹ 2,20,000/-
2.	Other Non-Executive Directors				
	• Fee for attending board / committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total	₹ 80,000/-	₹ 1,00,000/-	₹ 40,000/-	₹ 2,20,000/-

C. Remuneration to key managerial personnel other than MD / Manager / WTD: (Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961*	-	250,000	-	250,000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit				
	- others, specify	-	-	-	-
5.	Others, please Specify	-	-	-	-
	Total	-	-	-	-

*kindly refer the caption 'Particulars of Employees' of the Board Report.

VII. Penalties / Punishment / Compounding of Offences:

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

For and on behalf of the Board of
Motilal Oswal Trustee Company Limited

Place : Mumbai
Date : 22nd April, 2016.

Motilal Oswal
Chairman
(DIN : 00024503)

INDEPENDENT AUDITORS' REPORT

To the Members of **MOTILAL OSWAL TRUSTEE COMPANY LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Motilal Oswal Trustee Company Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2016, 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 Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016 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 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;

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 appears from the examination of those books;
- 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 statements 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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 control 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 Auditor) Rule 2014, in our opinion to the best of our information and according to the explanations given to us:
 - i) there are no pending litigations on its financials position in the financials statement that need to be disclosed by the Company.
 - ii) the Company has not entered in to any long term contracts including derivatives contract. Hence provision for material foreseeable losses does not arise.
 - iii) there are no amount that need to transferred to Investor Education and Protection Fund by the Company.

For **P B K & CO**
Chartered Accountants
Firm Registration No.:122384W

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: 26th April, 2016

INDEPENDENT AUDITORS' REPORT *(Contd..)*

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) The Company did not have any immovable properties at anytime during the year. Hence, the requirements of sub clause (c) to clause (i) of paragraph 3 of the said Order are not applicable to 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. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act for any activities of the Company.
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, 2016 which have not been deposited on account of any dispute.
8. According to the records of Company examined by us and the information and explanation given to us, the Company has not availed of any loans from the financial institutions or banks and has not issued debentures.
9. In our opinion, and according to the information and explanation given to us, no moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were not applied for the purposes for which those are raised.
10. During the course of our examination of books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud 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 any managerial remuneration provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013. Hence, the requirements of paragraph 11 of the said Order are not applicable to the Company.
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 Statements 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.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

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 **P B K & CO**
Chartered Accountants
Firm Registration No.:122384W

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: 26th April, 2016

INDEPENDENT AUDITORS' REPORT *(Contd..)*

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 4 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Motilal Oswal Trustee Company Limited on the standalone* financial statements for the year ended 31st March 2016.

Report on the Internal Financial Controls over Financial Reporting 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 Trustee Company Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements 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 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 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, to the extent applicable to an audit of internal financial controls, 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 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 judgement, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

INDEPENDENT AUDITORS' REPORT *(Contd..)*

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 March 31, 2016, based on the essential components of internal control stated in the Guidance Note issued by ICAI.

For **P B K & CO**

Chartered Accountants

Firm Registration No.:122384W

Premal H Gandhi

Partner

Membership No. 111592

Place: Mumbai

Date: 26th April, 2016

BALANCE SHEET

Balance Sheet as at March 31, 2016

	Note No.	As at 31-Mar-16 In (₹)	As at 31-Mar-15 In (₹)
I. EQUITY & LIABILITIES			
Share holders' funds :			
Share Capital	1	1,000,000	1,000,000
Reserves and Surplus	2	1,227,681	622,102
Current Liabilities			
Other Current Liabilities	3	73,742	208,636
TOTAL		2,301,423	1,830,738
II. ASSETS			
Non - Current Assets			
Long Term Loans and Advances	4	4,307	38,056
Current Assets			
Trade Receivables	5	3,684	169,307
Cash and Cash Equivalents	6	2,113,674	1,607,239
Short Term Loans and Advances	7	158,310	66
Other Current Assets	8	21,447	16,069
TOTAL		2,301,423	1,830,738

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

As per our attached report of even date

For P B K & Co.

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

M.No. : 111592

Place : Mumbai

Dated : 23rd April 2016

For and on behalf of the Board of
Motilal Oswal Trustee Company Limited

Motilal Oswal

Chairman

DIN No : 00024503

Sunil Goyal

Director

DIN No : 00503570

STATEMENT OF PROFIT AND LOSS

Statement of Profit and Loss for the year ended 31st March, 2016

	Note No.	For the Period Ended 31-Mar-16 In (₹)	For the Period Ended 31-Mar-15 In (₹)
REVENUE:			
Revenue from Operations	9	1,101,108	1,154,900
Other Income	10	120,842	65,670
Total Revenue (I + II)		1,221,950	1,220,570
EXPENSES :			
Other Expenses	11	345,568	367,211
Total Expenses		345,568	367,211
Profit Before Tax		876,382	853,359
Tax expense:			
Current Tax		270,802	259,265
MAT credit entitlement		–	–
Deferred tax		–	–
Prior Period Taxes		–	16,260
Profit for the Year/ Period		605,579	577,834
Earnings per equity share:			
Basic and diluted (Refer Note No. 20)		6.06	5.78
Equity Shares of ₹ 10 each fully paid up			

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

As per our attached report of even date

For P B K & Co.

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

M.No. : 111592

Place : Mumbai

Dated : 23rd April 2016

For and on behalf of the Board of
Motilal Oswal Trustee Company Limited

Motilal Oswal

Chairman

DIN No : 00024503

Sunil Goyal

Director

DIN No : 00503570

CASH FLOW STATEMENT

Cash flow statement for the year ended March 31, 2016

Particulars	For the Year ended 31st March 2016 (₹)	For the Year ended 31st March 2015 (₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	876,382	853,359
Adjustment for :		
Interest received	(118,287)	(62,999)
Interest received on IT refund	(2,555)	(2,671)
Adjustment for working capital changes :		
Increase/(Decrease) in other current liabilities	(10,745)	(9,075)
(Increase)/Decrease in trade receivable	165,623	(140,281)
(Increase)/Decrease in short-term loans and advances	(44,977)	1,936
(Increase)/Decrease In Long term Loans & Advances	5,935	65
(Increase)/Decrease in other current assets	(5,378)	(11,144)
CASH GENERATED FROM OPERATIONS	865,997	629,189
Taxes Paid (Net of Refunds)	480,406	73,439
NET CASH FLOW FROM OPERATING ACTIVITIES	385,592	555,750
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received on fixed deposits	118,287	62,999
Interest received on IT refund	2,555	2,671
NET CASH FLOW FROM INVESTING ACTIVITIES	120,842	65,670
NET CASH FLOW FOR THE YEAR	506,434	621,420
Cash and bank balances comprise of		
Balance with scheduled bank - In Current Account	915,405	285,819
Fixed deposit with banks	691,834	700,000
Total Cash and bank balance as at beginning of year	1,607,239	985,819
Cash and bank balance as at end of period :		
Balance with scheduled bank - In Current Account	114,280	915,405
Fixed deposit with banks	1,999,394	691,834
Total Cash and bank balance as at end of year	2,113,674	1,607,239

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 P B K & Co.

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

M.No. : 111592

Place : Mumbai

Dated : 23rd April 2016

For and on behalf of the Board of
Motilal Oswal Trustee Company Limited

Motilal Oswal

Chairman

DIN No : 00024503

Sunil Goyal

Director

DIN No : 00503570

NOTES TO FINANCIAL STATEMENT

Note 1 : Share Capital

	As at 31-Mar-16		As at 31-Mar-15	
	Number of Shares	(₹)	Number of Shares	(₹)
Authorised :				
Equity Shares of ₹ 10 each	100,000	1,000,000	100,000	1,000,000
Issued, Subscribed and Paid Up :				
Equity Shares of ₹ 10 each fully paid up	100,000	1,000,000	100,000	1,000,000

(a) Reconciliation of number of shares outstanding

	As at 31-Mar-16	As at 31-Mar-15
Number of shares at the beginning of the year	100,000	100,000
Number of shares at the end of the year	100,000	100,000

(b) 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.

(c) 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).

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company.

Name of Shareholder	As at 31-Mar-16		As at 31-Mar-15	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Motilal Oswal Securities Limited the Holding Company	100,000	100%	100,000	100%

(e) Shares held by holding company

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Equity shares :		
100,000 shares (March 31 , 2015: 100,000 shares) held by Motilal Oswal Securities Limited	100,000	100,000

Note 2: Reserves and Surplus

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Surplus/(Deficit) in the Statement of Profit and Loss		
Opening balance	622,102	44,267
Add: Net profit transferred from Statement of Profit and Loss	605,579	577,834
Closing balance	1,227,681	622,102

NOTES TO FINANCIAL STATEMENT

Note 3 : Other Current Liabilities

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Creditors for expenses	63,652	54,847
Withholding and other taxes payable	10,090	29,640
Provision for tax (net of advance tax)	–	124,149
TOTAL	73,742	208,636

Note 4 : Long term loans and advances

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Taxes Receivable	4,307	32,121
Prepaid expenses (LT)	–	5,935
TOTAL	4,307	38,056

Note 5 : Trade receivables

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Unsecured, considered good		
Other debts	3,684	169,307
TOTAL	3,684	169,307

Note 6 : Cash and cash equivalents

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Balances with banks		
In current account	114,280	915,405
Other bank balance		
Fixed Deposit with banks for less than 12 months	1,999,394	691,834
TOTAL	2,113,674	1,607,239

Note 7 : Short term loans and advances

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Taxes Receivable	113,267	–
Prepaid expenses	3,998	66
Indirect Taxes Receivable	41,045	–
TOTAL	158,310	66

NOTES TO FINANCIAL STATEMENT

Note 8 : Other current assets

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Accrued interest on fixed deposits	21,447	16,069
TOTAL	21,447	16,069

Note 9 : Revenue from operations

	For the Year Ended 31-Mar-16 (₹)	For the Year Ended 31-Mar-15 (₹)
Trustee fees	1,101,108	1,154,900
TOTAL	1,101,108	1,154,900

Note 10 : Other income

	For the Year Ended 31-Mar-16 (₹)	For the Year Ended 31-Mar-15 (₹)
Interest received on deposits with banks	118,287	62,999
Interest on IT Refund	2,555	2,671
TOTAL	120,842	65,670

Note 11 : Other Expenses

	For the Year Ended 31-Mar-16 (₹)	For the Year Ended 31-Mar-15 (₹)
Legal and professional fees	84,095	73,268
Auditors remuneration (Refer Note 16)	25,062	29,047
Rates & Taxes	1,971	2,001
Director sitting fees	230,500	251,012
Filing fees	2,232	8,408
Miscellaneous expenses	1,708	3,475
TOTAL	345,568	367,211

Note 12 : Background

Motilal Oswal Trustee Company Limited (MOTC/ the Company) was incorporated on November 14, 2008. The principal shareholder of the Company as at March 31, 2016 is Motilal Oswal Securities Limited (MOSL).

The Company acts as the Trustee to Motilal Oswal Mutual Fund. SEBI has granted registration to Motilal Oswal Mutual Fund under SEBI (Mutual Funds) Regulations, 1996 vide Registration No. MF/063/09/04 dated December 29, 2009.

NOTES TO FINANCIAL STATEMENT

Note 13 : Significant accounting policies

(a) Basis of preparation

The financial statements of the Company are prepared under the historical cost convention, on the accrual basis of accounting and comply in all material respects with the generally accepted accounting principles in India, the applicable accounting standards notified under Section 133 of the Companies Act, 2013, 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.

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

(c) 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.

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.

(d) 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, based on daily average assets under management (AUM) of the Schemes of Motilal Oswal Mutual Fund.

– Interest income

Interest income is accounted on an accrual basis.

(e) Taxes on income

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

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

– Deferred tax

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.

NOTES TO FINANCIAL STATEMENT

(f) Earnings per share

Basic earning per share is computed by dividing net profit or loss for the period 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 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.

(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.

Note 14 : Taxes on income

Current Tax

Provision for the current tax is made on the basis of taxable income for the year.

Note 15 :

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 16 : Auditors' Remuneration

Particulars	April 1, 2015 to March 31, 2016 (₹)	April 1, 2014 to March 31, 2015 (₹)
Audit fees	25,000	18,750
TOTAL	25,000	18,750

Note 17 : 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 18 : Earnings per share

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

The numerator and denominators used to calculate basic and diluted earnings per share are as under:

Particulars	April 1, 2015 to March 31, 2016 (₹)	April 1, 2014 to March 31, 2015 (₹)
Profit attributable to equity shareholders (₹)	605,579	577,834
Weighted average number of equity shares outstanding during the year	100,000	100,000
Nominal value per share (₹)	10	10
Earnings per share (Basic and diluted) (₹)	6.06	5.78

NOTES TO FINANCIAL STATEMENT

Note 19 : Related Party Disclosure:-

Names of Related Parties:-

(i) Relationships during the year

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:

- Motilal Oswal Capital Markets Private Limited
- Motilal Oswal Asset Management Company Limited
- Motilal Oswal Insurance Brokers Private Limited
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisors Private 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 (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 & Cattle Feeds Private Limited
- VISU Associates - Partnership firm
- OSAG Enterprises LLP

Key management personnel

- Motilal Oswal – Chairman

Enterprises in which key managerial personnel exercise significant influence

- Motilal Oswal Foundation

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

Note 20 :

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.

Note 21 :

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

For P B K & Co.

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

M.No. : 111592

Place : Mumbai

Dated : 23rd April 2016

For and on behalf of the Board of
Motilal Oswal Trustee Company Limited

Motilal Oswal

Chairman

DIN No : 00024503

Sunil Goyal

Director

DIN No : 00503570

Motilal Oswal Securities International Private Limited

Annual Report 2015-2016

BOARD'S REPORT

To the Members,

Your Directors have pleasure in presenting their 5th Annual Report together with the audited Financial Statement of your Company for the year ended 31st March, 2016.

Financial Highlights

A summary of the financial performance of the Company for the financial year ended on 31st March, 2016 is given below:

Amount (₹)

Particulars	Financial Year Ended 31st March, 2016	Financial Year Ended 31st March, 2015
Revenue	19,940,856	19,505,599
Profit before Interest, Depreciation & Taxation	2,622,867	2,573,100
Interest Paid	–	–
Depreciation	–	–
Profit / (Loss) before Taxation and exceptional item	2,622,867	2,573,100
Less: Provision for Taxation		
Current Tax	499,787	490,304
Deferred Tax	515,867	631,272
MAT credit entitlement	(204,421)	(315,901)
Profit / (Loss) for the year	1,811,634	1,767,425
Balance Profit / (Loss) brought Forward	(3,564,062)	(5,331,486)
Less: Transfer to General Reserve	–	–
Less: Transitional Depreciation	–	–
Balance Profit / (Loss) carried Forward	(1,752,428)	(3,564,061)

Review of Operations and Future Outlook

During the year ended 31st March, 2016, the revenue of MOSIPL increased from ₹ 19.51 million to ₹ 19.94 million representing in the growth of 2.23%. The profit of the Company after tax was ₹ 1.81 million as compared to ₹ 1.77 million in the previous financial year.

The Company has registered under, Foreign Account Tax Compliance Act (FATCA)(GIN No. - NJWIGB.99999.SL.356), although there is no obligation on its part for being registered.

As the Company is only an Advisory entity, the provisions of US Foreign Account Tax Compliance Act (FATCA) are not applicable to the Company.

Dividend and Reserves

Your Directors have not recommended payment of dividend for the Financial Year 2015-16 with a view to conserve the resources of the Company for the expansion of the operations of the Company.

During the year under review, the Company did not transfer any amount to Reserves.

Share Capital

The issued and paid-up share capital of the Company as on 31st March, 2016 is ₹ 45,692,000/- divided into 4,569,200 Equity Shares of ₹ 10/- each.

Deposits and Loans / Advances

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

The Company has not made any loans / advances which is required to be disclosed in the annual accounts of the Company pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Subsidiaries / Joint Ventures / Associate Companies

The Company does not have any Subsidiary Companies, Joint Ventures and Associate Companies as on 31st March, 2016.

Directors

During the year, there was no appointment or resignation of Directors(s).

Mr. Harsh Joshi, Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible has offered himself for re-appointment.

Number of Board Meetings

The Board meets at regular intervals to discuss and decide on the Company / business policy and strategy apart from other Board business. During the year under review, four Board Meetings were held and the interval between any two meetings was not more than 120 days. The date of the meetings and the status of attendance of Directors at these Board Meetings are as follows:

Name of the Director	Designation	Director Identification Number (DIN)	Meetings attended in Financial Year
Mr. Ajay Menon	Director	00024589	4
Mr. Rajesh Dharamshi	Director	01415232	4
Mr. Harsh Joshi	Director	02951058	4
Total meetings held during the year			4

Business Risk Management

The organization realizes the importance of Enterprise Risk Management (ERM) framework and had taken early initiatives towards its implementation of business risk management policy. The organization has introduced several improvements to the business risk management policy.

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

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

Internal Financial Controls

The Company has in place adequate Internal Financial Control systems with reference to financial statements. During the year under review, no material or serious observation has been received from the Auditors of the Company for inefficiency or inadequacy of such controls.

Loans, Guarantees and Investments

During the year under review, there were no loans and guarantees given by the Company as well as no investments was made by the Company.

Related Party Transactions

All related party transactions that were entered into during the financial year were at arm's length basis and in the ordinary course of business.

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

Statutory Auditors

Your Company had appointed M/s P B K & Co., as Statutory Auditors for the term of five years at the Annual General Meeting held on 30th September, 2014. In compliance with the provisions of Section 139 of the Companies Act, 2013, the appointment of the auditors is to be ratified by the members at every Annual General Meeting. M/s P B K & Co, Chartered Accountant (ICAI Firm Registration No. 122384W) have given their consent for re-appointment. The members are requested to ratify the appointment of Auditors and fix their remuneration.

BOARD'S REPORT *(Contd..)*

There were no qualifications, reservations, adverse remarks or disclaimers in the report of Statutory Auditors of the Company nor any frauds were reported by the Auditor under section 143(12) of the Companies Act, 2013.

Particulars of Employees as required under section 197 of the Companies Act, 2013 and rules framed there under

In accordance with the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the annexure pertaining to the names and other particulars of employees is available for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the said Annexure may write to the Company for the same.

Change of Situation of Registered Office of the Company within city limits

During the financial year 2015-16, your Company has shifted its registered office for operational convenience from Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad-West, Mumbai - 400064 to Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai - 400025 with effect from 15th March, 2016.

Directors' Responsibility Statement

Pursuant to section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the Profit of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis; and
- (v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and the systems were adequate and operating effectively.

Extract of Annual Return

The Extract of Annual Return in Form MGT-9 under Section 92(3) and Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed herewith to this report as "Annexure 2".

Significant and Material Orders

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

Policy on Prevention of Sexual Harassment of Women at Workplace

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company is committed to provide an environment, which is free of discrimination, intimidation and abuse. The Company believes that it is the responsibility of the organisation to protect the integrity and dignity of its women employees and also to avoid conflicts and disruptions in the work environment due to such cases. The Company has put in place a 'Policy against Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy, any women employee may report her complaint to the Redressal Committee formed for this purpose. We affirm that adequate access was provided to any complainant who wish to register a complaint under the policy. There were no complaints received by the Company, during the FY 2015-16.

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

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

There was no foreign exchange inflow during the year under review. The details of foreign outflow are given in note no. 7 to Financial Statement.

Mandatory disclosures in the Boards' Report

Following mandatory disclosures in the Boards' Report pursuant to the provisions of the Companies Act, 2013 are not applicable to the Company:

- Section 134(3)(d) - A statement on declaration given by independent directors under sub-section (7) of Section 149;
- Section 134(3)(e) - As per sub-section (1) of section 178, policies on appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178;
- Section 134(3)(f) - Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made by the Company secretary in practice in his secretarial audit report;
- Section 134(3)(l) - Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statement relate and the date of the report;
- Section 135 - Corporate Social Responsibility;
- Section 177 - Audit Committee;
- Section 177(9) - Establishment of Vigil Mechanism;
- Section 178 - Nomination And Remuneration Committee and stakeholders Relationship Committee;
- Section 203 - Appointment of Key Managerial Personnel;
- Section 204 - Secretarial Audit;
- Performance Evaluation of the Board of Directors;

Acknowledgments

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

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

Ajay Menon
Chairman
DIN: 00024589

Place : Mumbai

Date : 22nd April, 2016.

ANNEXURE 1 TO THE BOARD'S REPORT

Form No. AOC-2

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

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

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

Not Applicable

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

(Amount in ₹)

Sr. No.	Name of the Related Party	Nature of the relationship	Nature of Contract	Duration of Contract	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any
1	Motilal Oswal Securities Limited	Holding Company	Rendering of Advisory Services	On going	Advisory Fees received by Motilal Oswal Securities International Private Limited from Motilal Oswal Securities Limited	Nil

* Definition of Materiality has been adopted from Regulation 23 of the Listing Regulations, 2015 which states as follows: Transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statement of the Company. Since the Company does not have any subsidiary Company, materiality is decided based on transactions exceeding 10% of the standalone turnover as per the last audited financial statement of the Company.

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

Place : Mumbai

Date : 22nd April, 2016.

Ajay Menon

Chairman

(DIN : 00024589)

ANNEXURE 2 TO THE BOARD'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2016

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

I. Registration and Other Details:

i) CIN	U65929MH2011PTC219141
ii) Registration Date	27th June, 2011
iii) Name of the Company	Motilal Oswal Securities International Private Limited
iv) Category / Sub Category of the Company	Public Limited Company
v) Address of the Registered Office and contact details	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025. Tel. No. +91 22 3980 4200
vi) Whether Shares Listed On Recognized Stock Exchange(s)	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

II. Principal Business Activities of the Company

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1	Advisory Fees	6619	99.87%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Motilal Oswal Securities Limited (MOSL)	U65990MH1994PLC079418	Holding	100	2(46)

Note:

1. There are no Subsidiary and Associate Companies of the Company as on 31st March, 2016.
2. Passionate Investment Management Private Limited (PIMPL) is the ultimate holding Company and holds 54.01% shares in Motilal Oswal Financial Services Limited (MOFSL).
3. Motilal Oswal Financial Services Limited (MOFSL) holds 100% shares in Motilal Oswal Securities Limited (MOSL).

ANNEXURE 2 TO THE BOARD'S REPORT

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Bodies Corp	–	45,69,200	45,69,200	100	–	45,69,200	45,69,200	100	0
Sub-total (A) (1)	–	45,69,200	45,69,200	100	–	45,69,200	45,69,200	100	0
(2) Foreign	–	–	–	–	–	–	–	–	–
Sub-total (A) (2)	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	–	45,69,200	45,69,200	100	–	45,69,200	45,69,200	100	0
B. Public Shareholding									
1. Institutions	–	–	–	–	–	–	–	–	–
Sub-total (B)(1)	–	–	–	–	–	–	–	–	–
2. Non-Institutions	–	–	–	–	–	–	–	–	–
Sub-total (B)(2)	–	–	–	–	–	–	–	–	–
Total Public Shareholding (B)=(B)(1)+ (B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
GRAND TOTAL (A+B+C)	–	45,69,200	45,69,200	100	–	45,69,200	45,69,200	100	0

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	No. of shares	% of the total shares of the company	% of the shares pledged/ encumbered to total shares	% change in shareholding during the year
1	Motilal Oswal Securities Ltd.	45,69,100	100	–	45,69,100	100	–	0
2	Motilal Oswal Securities Ltd. Jointly with Mr. Ajay Menon	100	0	–	100	0	–	0
	Total	45,69,200	100	–	45,69,200	100	–	0

iii) Change in Promoters' Shareholding

Sr. No.	Shareholder's Name	Shareholding at the Beginning / end of the year		Date	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Motilal Oswal Securities Ltd.	45,69,100	100	01-04-2015	0	Nil movement during the year	45,69,100	100
		45,69,100	100	31-03-2016				
2	Motilal Oswal Securities Ltd. Jointly with Mr. Ajay Menon	1	0	01-04-2015	0	Nil movement during the year	1	0
		1	0	31-03-2016				

ANNEXURE 2 TO THE BOARD'S REPORT

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

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the Beginning of the year		Shareholding at the End of the year		Cumulative Shareholding During the year	
		No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
NIL							

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Designation	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NIL						

V. Indebtedness

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

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

ANNEXURE 2 TO THE BOARD'S REPORT

VI. Remuneration of Directors and Key Managerial Personnel

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	–
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–	–
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	–	–
2	Stock Option	–	–
3	Sweat Equity	–	–
4	Commission as % of profit	–	–
5	Others, please specify Variable Incentives	–	–
	Total (A)	–	–
	Ceiling as per the Act *5% of the net profit calculated as per Section 198		–

B. Remuneration to other directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors		
	• Fee for attending board / committee meetings	–	–
	• Commission	–	–
	• Others, please specify	–	–
	Total (1)	–	–
2.	Other Non-Executive Directors		
	• Fee for attending board / committee meetings	–	–
	• Commission	–	–
	• Others, please specify	–	–
	Total	–	–

C. Remuneration to key managerial personnel other than MD / Manager / WTD: Nil

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	–	–	–
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–	–	–	–
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	–	–	–	–

ANNEXURE 2 TO THE BOARD'S REPORT

VII. Penalties / Punishment / Compounding of Offences:

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

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

Ajay Menon
Chairman
(DIN : 00024589)

Place : Mumbai
Date : 22nd April, 2016.

INDEPENDENT AUDITORS' REPORT

To the Members of **MOTILAL OSWAL SECURITIES INTERNATIONAL PRIVATE LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Motilal Oswal Securities International Private Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2016, 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 Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including 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 financial 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2016 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 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 statements 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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 control 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 Auditor) Rule 2014, in our opinion to the best of our information and according to the explanations given to us:
 - i) there are no pending litigations on its financials position in the financials statement that need to be disclosed by the Company.
 - ii) the Company has not entered in to any long term contracts including derivatives contract. Hence provision for material foreseeable losses does not arise.
 - iii) there are no amount that need to transferred to Investor Education and Protection Fund by the Company.

For **P B K & Co**
Chartered Accountants
Firm Registration No.:122384W

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: 25th April, 2016

INDEPENDENT AUDITORS' REPORT *(Contd..)*

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) The Company did not have any immovable properties at anytime during the year. Hence, the requirements of sub clause (c) to clause (i) of paragraph 3 of the said Order are not applicable to 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. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act for any activities of the Company.
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, 2016 which have not been deposited on account of any dispute.
8. According to the records of Company examined by us and the information and explanation given to us, the Company has not availed of any loans from the financial institutions or banks and has not issued debentures.
9. In our opinion, and according to the information and explanation given to us, no moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were not applied for the purposes for which those are raised.
10. During the course of our examination of books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud 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 any managerial remuneration provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013. Hence, the requirements of paragraph 11 of the said Order are not applicable to the Company.
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 Statements 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.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

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 **P B K & Co**
Chartered Accountants
Firm Registration No.:122384W

Premal H Gandhi
Partner
Membership No. 111592

Place: Mumbai
Date: 25th April, 2016

BALANCE SHEET

Balance Sheet as at March 31, 2016

	Note No.	As at 31-Mar-16 (In ₹)	As at 31-Mar-15 (In ₹)
EQUITY & LIABILITIES			
Share Holder's Funds:			
Share Capital	1	45,692,000	45,692,000
Reserves & Surplus	2	(1,752,428)	(3,564,061)
		43,939,572	42,127,939
Non Current Liabilities			
Long Term Provisions	3	62,750	251,827
		62,750	251,827
Current Liabilities			
Other Current Liabilities	4	2,575,497	4,171,671
Short Term Provisions	5	880,090	99,683
		3,455,587	4,271,354
TOTAL		47,457,910	46,651,120
ASSETS			
Non - Current Assets			
Long Term Loans and Advances	6	3,305,161	2,450,054
Deferred Tax Assets (net)	7	1,235,995	1,751,862
		4,541,156	4,201,916
Current Assets			
Cash and Cash Equivalents	8	38,075,792	38,858,025
Trade Receivables	9	2,716,041	2,121,281
Other Current Assets	10	2,124,921	1,469,898
		42,916,754	42,449,204
TOTAL		47,457,910	46,651,120

Notes to Accounts referred above form a integral part of the financial statements

As per our attached report of even date

For P B K & Co.

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

M.No. : 111592

Place : Mumbai

Date : 22nd April, 2016

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

Ajay Menon

Director

DIN No:

Rajesh Dharamshi

Director

DIN No: 2951058

STATEMENT OF PROFIT AND LOSS

Statement of Profit and Loss for the period ended 31st March, 2016

	Note No.	For the Period ended 31-Mar-16 (In ₹)	For the Period ended 31-Mar-15 (In ₹)
REVENUE :			
Revenue from Operations	11	19,915,687	19,472,373
Other Income	12	25,169	33,226
Total Revenue		19,940,856	19,505,599
EMPLOYEE BENEFITS			
Other Expense	13	6,892,054	5,032,893
	14	10,425,935	11,899,606
Total Expenses		17,317,989	16,932,499
Profit/(Loss) Before Tax		2,622,867	2,573,100
Tax Expenses :			
Current Tax (MAT)		499,787	490,304
MAT credit entitlement		(204,421)	(315,901)
Deferred Tax		515,867	631,272
Profit/(Loss) for the year		1,811,634	1,767,425
Earnings Per Share (₹)			
Basic and Diluted Earnings/(Loss) per share (Face value of ₹ 10 each)		0.40	0.39

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

As per our attached report of even date

For P B K & Co.

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

M.No. : 111592

Place : Mumbai

Date : 22nd April, 2016

For and on behalf of the Board of

Motilal Oswal Securities International Private Limited

Ajay Menon

Director

DIN No:

Rajesh Dharamshi

Director

DIN No: 2951058

CASH FLOW STATEMENT

Cash flow statement as of 31st March, 2016

Particulars	For the Year ended 31st March, 2016 In (₹)	For the Year ended 31st March, 2015 In (₹)
CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT/(LOSS) BEFORE TAX	2,622,867	2,573,100
Add/(Less):		
1) Interest Received	–	–
2) Effect of exchange rate changes	4,582	40,811
3) Dividend Received	4,582	–
		40,811
OPERATING PROFIT/(LOSS)	2,627,449	2,613,911
Adjustment For:		
(Increase)/Decrease In Sundry Debtors	(594,760)	(2,121,281)
(Increase)/Decrease In Other Current Assets	(447,048)	40,618
(Increase)/Decrease In Long Term Loans & Advances	4,000	(358,000)
Increase/ (Decrease) In Provision	591,330	347,637
Increase/ (Decrease) In Current Liabilities	(1,596,174)	(437,728)
	(2,042,652)	(2,528,754)
CASH GENERATED FROM OPERATIONS	584,797	85,157
Taxes Paid	(1,362,448)	(1,483,752)
NET CASH FROM OPERATING ACTIVITIES	(777,651)	(1,398,595)
CASH FLOW FROM INVESTING ACTIVITIES		
NET CASH FLOW FROM INVESTING ACTIVITIES	–	–
CASH FLOW FROM FINANCING ACTIVITIES		
NET CASH FLOW FOR THE YEAR	(777,651)	(1,398,595)
Cash & Cash Equivalents As At 01.04.2014	38,759,865	40,158,461
Balances with bank	38,858,025	40,297,432
Effect of Exchange rate Changes	(98,160)	(138,971)
Cash & Cash Equivalents As At 31.03.2015	37,982,214	38,759,865
Cheques in hand	–	–
Balances with bank	38,075,792	38,858,025
Effect of Exchange rate Changes	(93,578)	(98,160)

As per our attached report of even date

For P B K & Co.

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

M.No. : 111592

Place : Mumbai

Date : 22nd April, 2016

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

Ajay Menon

Director

DIN No:

Rajesh Dharamshi

Director

DIN No: 2951058

NOTES TO FINANCIAL STATEMENT

Note 1: Share Capital

	As at 31-Mar-16 In (₹)	As at 31-Mar-15 In (₹)
Authorised:		
1,00,00,000 Equity Shares of ₹10/- each	100,000,000	100,000,000
TOTAL	100,000,000	100,000,000
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)	45,692,000	45,692,000
TOTAL	45,692,000	45,692,000

1.1 Reconciliation of number of Equity shares outstanding

	As at 31-Mar-16		As at 31-Mar-15	
	Number of Shares	(₹)	Number of Shares	(₹)
Number of shares at beginning of the year		45,692,000	4,569,200	4,569,200
Add: Shares issued during this year		–	–	–
Number of shares at the end of the year		45,692,000	4,569,200	4,569,200

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

Name of Shareholder	As at 31-Mar-16		As at 31-Mar-15	
	No of Shares #	% of Holding	No of Shares #	% of Holding
Motilal Oswal Securities Ltd. (Holding Company)		100	4,569,200	4,569,200

Note 2: Reserves and Surplus

	As at 31-Mar-16 In (₹)	As at 31-Mar-15 In (₹)
Profit & Loss Account		
Opening balance	(3,564,062)	(5,331,486)
Add: Additions during the year	1,811,634	1,767,425
TOTAL	(1,752,428)	(3,564,061)

Note 3: Long Term Provisions

	As at 31-Mar-16 In (₹)	As at 31-Mar-15 In (₹)
Provision for Gratuity	62,750	251,827
TOTAL	62,750	251,827

NOTES TO FINANCIAL STATEMENT

Note 4: Other Current Liabilities

	As at 31-Mar-16 In (₹)	As at 31-Mar-15 In (₹)
Statutory Liabilities	176,404	218,105
Service tax	–	–
Swach Bharat Cess	–	–
Salary payable	54,863	16,781
Payable for expenses	2,344,230	3,936,785
TOTAL	2,575,497	4,171,671

Note 5: Short Term Provisions

	As at 31-Mar-16 In (₹)	As at 31-Mar-15 In (₹)
Ex-gratia Payable	600,000	–
Other Provisions	280,090	99,414
Provision for Gratuity	–	269
TOTAL	880,090	99,414

Note 6: Long Term Loans and Advances

	As at 31-Mar-16 In (₹)	As at 31-Mar-15 In (₹)
Prepaid Expenses	–	4,000
Advance Tax (net of provisions)	2,945,161	2,086,054
Rent Deposit	360,000	360,000
TOTAL	3,305,161	2,090,054

Note 7: Deferred Tax (Liabilities)\Assets

	As at 31-Mar-16 In (₹)	As at 31-Mar-15 In (₹)
Provision for Gratuity	19,390	77,898
WDV of licence	1,216,605	1,622,140
Preliminary expenses	–	51,824
TOTAL	1,235,995	1,751,862

Note 8: Cash & Cash Equivalent

	As at 31-Mar-16 In (₹)	As at 31-Mar-15 In (₹)
Cash in Hand	–	–
Balance with:		
Scheduled Bank - In Current Account	38,075,792	38,858,025
TOTAL	38,075,792	38,858,025

NOTES TO FINANCIAL STATEMENT

Note 9: Trade Receivables

	As at 31-Mar-16 In (₹)	As at 31-Mar-15 In (₹)
Unsecured, considered good, outstanding for a period less than six months	2,716,041	2,121,281
TOTAL	2,716,041	2,121,281

Note 10: Other Current Assets

	As at 31-Mar-16 In (₹)	As at 31-Mar-15 In (₹)
Prepaid Expense	310,591	95,698
Service Tax Credit	252,077	20,770
Mat Credit Entitlement	1,416,895	1,208,920
Advance Against Expenses	145,358	144,510
TOTAL	2,124,921	1,469,898

Note 11: Revenue from Operations

	For the Period Ended 31-Mar-16 In (₹)	For the Period Ended 31-Mar-15 In (₹)
Advisory Fees	19,915,687	19,472,373
Bank Interest	—	—
TOTAL	19,915,687	19,472,373

Note 12: Other Income

	For the Period Ended 31-Mar-16 In (₹)	For the Period Ended 31-Mar-15 In (₹)
Interest on Bank	—	791
Interest on Income tax Refund	25,169	32,435
TOTAL	25,169	33,226

Note 13: Employee Benefits

	For the Period Ended 31-Mar-16 In (₹)	For the Period Ended 31-Mar-15 In (₹)
Salaries and Incentives	7,081,400	4,780,797
Gratuity	(189,346)	252,096
TOTAL	6,892,054	5,032,893

NOTES TO FINANCIAL STATEMENT

Note 14: Other Expenses

	For the Period Ended 31-Mar-16 In (₹)	For the Period Ended 31-Mar-15 In (₹)
Registration Charges	160,432	66,275
Remuneration to Auditors	2,047,749	2,587,201
Legal & Professional Fees	3,348,443	4,861,546
Examination Fees	65,139	61,733
Rent to MOSL	721,200	720,000
Filing Fees	–	3,150
Consultancy Charges	888,000	888,000
Membership and Subscription Fees	309,996	439,613
Client Entertainment Expenses	53,444	4,350
Communication Expenses	60,730	16,246
Interest on Tds	2,483	34,263
Rent Rates & Taxes	–	2,000
Travelling Expenses	1,390,666	1,037,197
Back up Charges	265,327	236,386
Bank Charges	47,064	44,991
Business Support Charges	180,300	180,000
Foreign Exchange Fluctuation	148,645	(49,912)
Tds Filing fees	342	310
Interest on Service Tax	1,095	88
Insurance Charges	734,880	766,169
TOTAL	10,425,935	11,899,606

Note 15 : Significant Accounting Policies:

Basis of Preparation of Financial Statements:

The accompanying financial statements are prepared under the historical cost convention, on the accrual basis of accounting and comply in all material respects with the accounting standards issued by the Institute of Chartered Accountants of India/accounting standards notified under section 133 of the Companies Act, 2013 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 statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any differences of actual results to such estimates are recognized in the period in which the results are known/materialized.

Revenue Recognition:

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

NOTES TO FINANCIAL STATEMENT

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.

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

Note 16 : 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.

NOTES TO FINANCIAL STATEMENT

Note 17 : Auditors' Remuneration:

Auditor's Remuneration (inclusive of Service Tax):

	For the Period Ended 31-Mar-16 In (₹)	For the Period Ended 31-Mar-15 In (₹)
As Auditors:		
Audit fees	2,047,749	2,587,201
In any other capacity, in respect of:		
Other Certification	—	—
TOTAL	2,047,749	#REF!

Note 18 : Basic & Diluted Earnings per share:

	For the Period Ended 31-Mar-16 In (₹)	For the Period Ended 31-Mar-15 In (₹)
Net Profit/(Loss) attributable to equity shareholders [A] (₹)	1,811,634	1,767,425
Weighted Average Number of equity shares issued [B]	4,569,200	4,569,200
Basic & Diluted Earnings per share (EPS)[A/B] (₹)	0.40	0.39

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.

	For the Period Ended 31-Mar-16 In (₹)	For the Period Ended 31-Mar-15 In (₹)
Preliminary expenses	—	51,824
Provision for gratuity	19,390	77,898
WDV of assets	1,216,605	1,622,140
Deferred Tax (Liability)/Assets	1,235,995	1,751,862

Note 20 : Gratuity Plan:

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-16	31-Mar-15
I Assumptions as at		
Interest / Discount Rate	7.49%p.a.	7.77% p.a.
Expected Return On Plan Assets	—	
Mortality	IALM (2006-08) Ult.	IALM(2006-08) Ult.
Rate of increase in compensation	3%p.a.	15%p.a.
Disability	Nil	Nil
Employee Attrition Rate (Past Service)	PS: 0 to 37 : 15.86	PS: 0 to 37 : 15.87%
Expected average remaining service	5.17	5.17

NOTES TO FINANCIAL STATEMENT

	31-Mar-16	31-Mar-15
II Changes in present value of obligations		
Present value of obligation at beginning of the period	252,096	–
Interest cost	19,588	–
Current service cost	126,166	124,990
Past service cost - (non vested benefit)	–	–
Past service cost - (vested benefit)	–	–
Benefits paid	–	–
Actuarial (gain) loss on obligation	(335,100)	127,106
Present value of obligation at end of the period	62,750	252,096
III Changes in fair value of plan assets		
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	–	–
IV Fair Value of Plan Assets		
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)	(62,750)	(252,096)
Excess of actual over estimated return on plan assets	–	–
V Experience History		
(Gain)/Loss on obligation due to change in Assumption	(82,068)	–
Experience (Gain)/Loss on obligation	(253,032)	127,106
Actuarial (Gain)/Loss on plan asset	–	–
VI Actuarial Gain/(Loss) Recognized		
Actuarial Gain/(Loss) for the period (obligation)	335,100	(127,106)
Actuarial Gain/(Loss) for the period (plan assets)	–	–
Total Gain/(Loss) for the period	335,100	(127,106)
Actuarial Gain/(Loss) recognized for the period	335,100	(127,106)
Unrecognized Actuarial Gain/(Loss) at the end of the period	–	–

NOTES TO FINANCIAL STATEMENT

	31-Mar-16	31-Mar-15
VII Past Service Cost Recognised		
Past service cost - (non vested benefit)	–	–
Past service cost - (vested benefit)	–	–
Average remaining future service till vesting benefit	–	–
Recognized Past service cost - non vested benefits	–	–
Recognized Past service cost - vested benefits	–	–
Unrecognized Past service cost - non vested benefits	–	–
VIII Amounts to be recognized in the balance sheet and statement of profit & loss account		
Present value of obligation at end of period	62,750	252,096
Fair value of plan assets at end of period	–	–
Funded status	(62,750)	(252,096)
Unrecognised Actuarial Gain/(Loss)	–	–
Unrecognised past service cost - non vested benefits	–	–
Net Liability/ (Asset) recognised in the Balance Sheet	62,750	(252,096)
IX Expense recognized in the statement of P & LAIC		
Current service cost	126,166	124,990
Interest cost	–	–
Past service cost - (non vested benefit)	–	–
Past service cost - (vested benefit)	–	–
Unrecognised past service cost - non vested benefits	–	–
Expected return on plan assets	–	–
Net actuarial (gain)/ loss recognised for the period	(335,100)	127,106
Expenses Recognised in the statement of Profit & Loss Account	(189,346)	252,096
X Movements in the Liability recognized in Balance Sheet		
Opening net liability	252,096	–
Expenses as above	(189,346)	252,096
Contribution paid	–	–
Closing net Liability	62,750	252,096
XI Revised Schedule VI		
Current Liability	301	269
Non-Current Liability	62,449	251,827

NOTES TO FINANCIAL STATEMENT

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

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 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
- VISU Associates - Partnership firm
- OSAG Enterprises LLP

II. Transactions with related parties: 31-03-2016

Particulars	Name of the related Party	2015-16	2014-15
Rent	Motilal Oswal Securities Limited	720,000	720,000
Rent Deposit	Motilal Oswal Securities Limited	360,000	360,000
Business Support Service	Motilal Oswal Securities Limited	180,000	180,000
Advisory Fees	Motilal Oswal Securities Limited	(19,215,758)	(19,472,373)
Trade Receivables	Motilal Oswal Securities Limited	2,705,665	–
Consultancy charges	Rajesh Dharamshi	888,000	888,000

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

Note 22 : Segment Information

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

NOTES TO FINANCIAL STATEMENT

Note 23 : Expenses incurred in Foreign Currency:

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

Particulars	2015-16	2014-15
Audit Fees	2,117,194	4,475,420
Filing Fees	–	3,150
Back up charges	265,327	236,386
Registration Charges	160,432	66,275
Examination Fees	65,139	61,733
Membership Charges	309,996	439,613
Loding and Boarding Overseas	66,736	67,229
Travelling Overseas	1,323,930	940,628
TOTAL	4,308,754	6,290,434

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.

For P B K & Co.

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

M.No. : 111592

Place : Mumbai

Date : 22nd April, 2016

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

Ajay Menon

Director

DIN No:

Rajesh Dharamshi

Director

DIN No: 2951058

Motilal Oswal Capital Markets (Hongkong) Private Limited

Annual Report 2015-2016

BOARD'S REPORT

The directors have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 March 2016.

Principal activities

Motilal Oswal Capital Markets (Hong Kong) Private Limited ("Motilal HK") was incorporated in Hong Kong on 30 September 2011 (CR No. 1668413). The Company is a licensed corporation under the Securities and Futures Ordinance, subject to the specific licensing conditions, to conduct Type 4 regulated activity since the date of license, 24 June 2014. The Company distributes research reports on Indian Markets only to Hong Kong based Institutional Investors and receives fees for the same for providing research and advice on Indian Equities. Motilal HK is 100% owned by Motilal Oswal Securities Limited ("MOSL") a subsidiary of Motilal Oswal Financial Services Limited ("MOFSL") which is the ultimate holding company.

Results and appropriations

The results of the Company for the year ended 31 March 2016 are set out in the statement of profit or loss and other comprehensive income on page 5.

The directors do not recommend the payment of any dividend for the year ended 31 March 2016.

Share issued in the year

During the year, the Company did not issue any share.

Directors

Directors of the Company

The directors who held office during the year were: Kamath Sameer Vasudev

Tare Abhijit Anil Marnick Martin Brendan

There being no provision in the Company's Articles of Association for retirement by rotation, all the directors continue in office.

Directors' material interests in transactions, arrangements and directors' material interests in transactions and contracts that are significant in relation to the Company's business

No transactions, arrangement and contracts of significance in relation to the Company's business to which the Company or its holding company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' interests and/or shot position in the shares, underlying of the Company or any specified undertaking of the Company and any other associated corporation

At no time during the year was the Company or its holding company a party to any arrangement to enable the Company's director to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

Business review

The Company is a wholly owned subsidiary of another body corporate. Accordingly, the Company is exempted from preparing a business review.

Auditors

The financial statements have been audited by HORIZON (HK) CPA Limited who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board

Director: Tare Abhijit Anil

Hong Kong, 12 May 2016

To the members of Motilal Oswal Capital Markets (Hong Kong) Private Limited (incorporated in Hong Kong with limited liability)

Report on the financial statements

We have audited the financial statements of Motilal Oswal Capital Markets (Hong Kong) Private Limited ("the Company") set out on page 5 to 19, which comprise the statement of financial position as at 31 March 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and the statement of cash flows for year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In addition, the directors also have a responsibility to ensure that the financial statements are in accordance with the records kept under the Hong Kong Securities and Futures (Keeping of Records) Rules and satisfy the requirements of the Hong Kong Securities and Futures (Accounts and Audit) Rules.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing and with reference to Practice Note 820 (Revised), The Audit of Licensed Corporations and Associated Entities of Intermediaries, issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement, and whether the financial statements are in accordance with the records kept under the Hong Kong Securities and Futures (Keeping of Records) Rules and satisfy the requirements of the Hong Kong Securities and Future (Accounts and Audit) Rules.

Independent auditor's report

To the members of Motilal Oswal Capital Markets (Hong Kong) Private Limited (incorporated in Hong Kong with limited liability)

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2016 and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Report on matters under the Hong Kong Securities and Futures (Keeping of Records) Rules and Hong Kong Securities and Futures (Accounts and Audit) Rules of the Hong Kong Securities and Futures Ordinance

In our opinion, the financial statement are in accordance with the records kept under the Hong Kong Securities and Futures (Keeping of Records) Rules and satisfy the requirements of the Hong Kong Securities and Future (Accounts and Audit) Rules.

HORIZON (HK) CPA Limited

Certified Public Accountants
Ho Ka Shun
Practising Certificate Number P05097
Hong Kong, 12 May 2016

INDEPENDENT AUDITORS' REPORT

To the Members of the **Motilal Oswal Capital Markets (Hong Kong) Private Limited**

Report on the Financial Statements

The financial statements 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, 2016, 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 23rd April 2016, are certified by the management of the company.

We are presented with the financial statements 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 statements 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, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year ended March 31, 2016 annexed thereto.

Management's Responsibility for the Financial Statements

These financial statements 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 statements 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 statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. 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 statements and auditor's report thereon, these financial statements 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, 2016;
- b. In the case of the Statement of Profit and Loss of the profit for the year ended March 31, 2016;and
- c. In the case of Cash Flow Statement, of the cash flows for the year ended March 31, 2016.

For **P B K & CO.**
Chartered Accountants
Firm Registration No.:122394W

Premal H Gandhi
Partner
Membership No.111592

Place: Mumbai
Date: 23/04/2016

BALANCE SHEET

Balance Sheet as at March 31, 2016

	Note	As at March 31, 2016 in ₹	As at March 31, 2015 in ₹
I EQUITY AND LIABILITIES			
Share holders' Funds:			
Share Capital	1	41,202,000	41,202,000
Reserve and Surplus	2	(24,747,086)	(17,368,862)
Current Liabilities			
Other Current Liabilities	3	1,369,779	526,206
Short Term Provisions	4	41,619	12,110
Total		17,866,312	24,371,454
II ASSETS			
Cash and Cash Equivalents	5	17,427,753	24,021,314
Short Term Loans and Advances	6	438,559	350,140
Total		17,866,312	24,371,454

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

As per our attached Report of even date

For P B K & Co.

Chartered Accountants

Firm Reg No. 122384W

Premal H Gandhi

Partner

M.No.: 111592

Place : Mumbai

Date :

Motilal Oswal Capital Markets (Hongkong) Private Limited

Sameer Vasudev Kamath

Director

Abhijit Tare

Director

STATEMENT OF PROFIT AND LOSS

Statement of Profit and Loss for the period from April 1, 2014 to March 31, 2016

	Note	April 1, 2015 to March 31, 2016 in ₹	April 1, 2014 to March 31, 2015 in ₹
INCOME :			
Other Income	7	221	284
Total Revenue		221	284
EXPENSES:			
Employee Benefits	8	4,958,314	4,595,592
Other Expenses	9	3,675,992	3,373,061
Total expenses		8,634,306	7,968,653
Loss Before Tax		(8,634,085)	(7,968,369)
Loss for the period/year		(8,634,085)	(7,968,369)
Earnings per equity share:			
Basic and Diluted		(1.44)	(1.33)
Equity Shares of Par Value HK \$ 1 each			

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

As per our attached Report of even date

For P B K & Co.

Chartered Accountants

Firm Reg No. 122384W

Motilal Oswal Capital Markets (Hongkong) Private Limited

Premal H Gandhi

Partner

M.No.: 111592

Place : Mumbai

Date :

Sameer Vasudev Kamath

Director

Abhijit Tare

Director

CASH FLOW STATEMENT

Cash Flow Statement for the year ended March 31, 2016

Particulars	April 1, 2015 to March 31, 2016 in ₹	April 1, 2014 to March 31, 2015 in ₹
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(8,634,085)	(5,982,920)
Adjustments for:		
Interest income	(221)	(312)
Translation differences on foreign currency taken to reserves	1,255,861	3,315,531
Adjustment for working capital changes		
Increase/(Decrease) in other current Liabilities	843,574	
Increase/(Decrease) in short term provision	29,509	(41,892)
Increase/(Decrease) in short term loans and advances	(88,419)	21,543
CASH GENERATED FROM OPERATIONS	(6,593,782)	(2,688,049)
Taxes paid	–	–
NET CASH FROM OPERATING ACTIVITIES	(6,593,782)	(2,688,049)
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	221	312
NET CASH FROM INVESTING ACTIVITIES	221	312
CASH FLOW FROM FINANCING ACTIVITIES		
NET CASH FROM FINANCING ACTIVITIES	–	–
NET CASH FLOW FOR THE YEAR	(6,593,561)	(2,687,737)
Balance with bank in current account as at the beginning of the year	24,021,314	33,517,777
Balance with bank in current account as at the end of the year	17,427,753	30,830,040

As per our attached Report of even date

For P B K & Co.

Chartered Accountants

Firm Reg No. 122384W

Motilal Oswal Capital Markets (Hongkong) Private Limited

Premal H Gandhi

Partner

M.No.: 111592

Place : Mumbai

Date :

Sameer Vasudev Kamath

Director

Abhijit Tare

Director

NOTES TO FINANCIAL STATEMENT

Note 1 : Share capital

	As at March 31, 2016 in ₹	As at March 31, 2016 in ₹
Authorised :		
Equity Shares of HK\$ 1 Each	70,000,000	70,000,000
TOTAL	70,000,000	70,000,000
Issued, Subscribed and Paid Up :		
Equity Shares of HK \$ 1 each fully paid up	41,202,000	41,202,000
(All of the above 6,000,000 equity shares are held by Motilal Oswal Securities Limited, the Holding Company)		
TOTAL	41,202,000	41,202,000

Note 2 : Reserves and Surplus

	As at March 31, 2016 in ₹	As at March 31, 2016 in ₹
Deficit in the Statement of Profit and Loss		
Opening balance	(22,635,818)	(14,667,448)
Net loss for the year	(8,634,085)	(7,968,369)
Translation reserve for the year	6,522,816	5,266,955
Closing balance	(24,747,086)	(17,368,862)

Note 3 : Other Current Liabilities

	As at March 31, 2016 in ₹	As at March 31, 2016 in ₹
Creditors for expenses	1,369,779	526,206
TOTAL	1,369,779	526,206

Note 4 : Short term provisions

	As at March 31, 2016 in ₹	As at March 31, 2016 in ₹
Provision for expenses	41,619	12,110
TOTAL	41,619	12,110

Note 5 : Cash and bank balances

	As at March 31, 2016 in ₹	As at March 31, 2016 in ₹
Balance with banks in current accounts	17,427,753	24,021,314
TOTAL	17,427,753	24,021,314

NOTES TO FINANCIAL STATEMENT

Note 6 : Short term loans and advances

	As at March 31, 2016 in ₹	As at March 31, 2015 in ₹
Others		
Others unsecured, considered good		
Rent deposit	276,443	205,869
Other deposits	4,267	4,037
Advance for expenses	92,148	79,796
Prepaid expenses	65,702	60,438
TOTAL	438,559	350,140

Note 7 : Other Income

	For the Period ended March 31, 2016 in ₹	April 1, 2013 to March 31, 2015 in ₹
Interest income	221	284
TOTAL	221	284

Note 8 : Employee benefits

	For the Period ended March 31, 2016 in ₹	April 1, 2013 to March 31, 2015 in ₹
Employee benefits		
Salaries and incentives	4,797,181	4,448,938
Contribution to provident fund	151,789	137,921
Insurance	9,343	8,732
TOTAL	4,958,314	4,595,592

Note 9 : Other expenses

	For the Period ended March 31, 2016 in ₹	April 1, 2013 to March 31, 2015 in ₹
Rent rates and taxes	1,015,603	825,698
Foreign exchange gain / (loss)	(100)	-
Travelling expenses	-	-
Courier charges	7,539	3,342
Legal and professional fees	2,097,782	2,031,821
Auditor's remuneration	460,427	464,126
Printing Charges	-	-
Insurance	-	-
Communication expenses	-	-
Bank charges	40,941	38,618
Miscellaneous expenses	53,801	9,457
TOTAL	3,675,992	3,373,061

NOTES TO FINANCIAL STATEMENT

Note 10 : Background

Motilal Oswal Capital Markets (Hongkong) Private Limited ('The Company') was incorporated in Hongkong on September 30, 2011 (CR No.1668413). The principal shareholder of the Company as at March 31, 2016 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.

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 11 : Significant accounting policies

(a) Basis of preparation

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

(c) Conversion to Indian Rupees

For the purpose of these financial statements, 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

Note 12 : 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 a subsidiary of Passionate Investment Management Private Limited which is its ultimate holding company.

Note 13 : Taxation

No provision for the current tax has been made in view of taxable loss for the period.

Note 14 : Operating Leases

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

During the year ₹ 10,15,603 (Previous year 8,25,698) being lease rentals for the current year are recognized in the statement of profit and loss under the head "rent".

As at March 31, 2016 the total future minimum lease payments under non-cancellable operating leases are payable as follows :-

	April 1, 2015 to March 31, 2016 in ₹	April 1, 2014 to March 31, 2015 in ₹
Payable within 1 year	1,027,772	797,965
Payable after 1 year but not later than 5 years	—	—
TOTAL	1,027,772	797,965

Note 15 : Earnings per share

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

Particulars	April 1, 2015 to March 31, 2016 in ₹	April 1, 2014 to March 31, 2015 in ₹
Loss attributable to equity shareholders (₹)	(8,634,085)	(7,968,369)
Weighted average number of equity shares outstanding during the year	6,000,000	6,000,000
Nominal value per share (₹)	6.87	6.87
Earnings per share (Basic and diluted) (₹)	(1.44)	(1.33)

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
- 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

NOTES TO FINANCIAL STATEMENT

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 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
- VISU Associates - Partnership firm
- OSAG Enterprises LLP

C) Key management personnel

- Abhijeet Tare - Director
- Martin Brendon Marnick - Director

ii) Transactions with related parties for the period ended March 31, 2016

Transactions	Name of the related Party	For the year ended March 31, 2016	For the year ended March 31, 2015
Director's Remuneration	Martin Brendon Marnick	4,958,314	4,595,592
Total		4,958,314	4,595,592

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

Note 18 :

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

For P B K & Co.

Chartered Accountants
Firm Reg No. 122384W

Premal H Gandhi

Partner

M.No.: 111592

Place : Mumbai

Date :

Motilal Oswal Capital Markets (Hongkong) Private Limited

Sameer Vasudev Kamath

Director

Abhijit Tare

Director

Motilal Oswal Capital Markets (Singapore) Pte. Ltd.

Annual Report 2015-2016

INDEPENDENT AUDITORS' REPORT

To the Members of the of **Motilal Oswal Capital Markets (Singapore) Private Limited.**

Report on the Financial Statements

The financial statements 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 (Singapore) Pte. Ltd. (the Company) as on March 31, 2016, being a company registered in Singapore, are audited by James Chan & Partners LLP, Public Accountants and Chartered Accountants, Singapore and we have been furnished with their audit report dated 23rd April 2016, are certified by the management of the company.

We are presented with the financial statements 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 statements to comply with the requirements of the Companies Act 2013. We have audited the Balance Sheet of Motilal Oswal Capital Markets (Singapore) Private Limited. (the Company) as on March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year ended March 31, 2016 annexed thereto.

Management's Responsibility for the Financial Statements

These financial statements 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 statements 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 statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. 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 statements and auditor's report thereon, these financial statements 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, 2016;
- b. In the case of the Statement of Profit and Loss of the profit for the year ended March 31, 2016;and
- c. In the case of Cash Flow Statement, of the cash flows for the year ended March 31, 2016.

For **P B K & CO.**
Chartered Accountants
Firm Registration No.:122394W

Premal H Gandhi
Partner
Membership No.111592

Place: Mumbai
Date: 23/04/2016

BALANCE SHEET

Balance Sheet as at March 31, 2016

	Note No.	As on 31-Mar-16 (₹)	As on 31-Mar-15 (₹)
EQUITY AND LIABILITIES			
Share Holders' Funds :			
Share Capital	1	9,887,500	9,887,500
Reserve and Surplus	2	3,039,814	529,437
Current Liabilities			
Other Current Liabilities	3	1,583,950	477,422
Short Term Provisions	4	444,137	286,128
Total		14,955,400	11,180,487
ASSETS			
Current Assets			
Trade Receivables	5	3,135,223	2,815,490
Cash and Cash Equivalent	6	10,357,851	7,020,056
Short Term Loan and Advances	7	1,462,326	1,344,941
Total		14,955,400	11,180,487

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

As per our report of attached even date

For P B K & Co.

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

Membership No. 111592

Place : Mumbai

Dated : 20th April 2016

Motilal Oswal Capital Market (Singapore) Pte. Ltd.

Sameer Vasudev Kamath

Director

Abhijit Tare

Director

STATEMENT OF PROFIT AND LOSS

Statement of Profit and Loss for the period ended March 31, 2016

	Note No.	For The Period Ended 31-Mar-16 (₹)	For The Period Ended 31-Mar-15 (₹)
INCOME :			
Income from Operations	8	13,974,549	13,750,861
Total revenue		13,974,549	13,750,861
EXPENSES :			
Employee Benefits	9	4,231,724	7,449,030
Other Expenses	10	7,919,997	4,526,039
Total Expenses		12,151,721	11,975,069
Profit Before Tax		1,822,827	1,775,792
Tax Expense:			
Current Tax		183,565	211,317
Deferred Tax		–	–
Profit for the year /period		1,639,262	1,564,475
Earnings per equity share:			
Basic and Diluted		6.56	6.26
Equity shares of Par Value SGD 1/-each			

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

As per our report of attached even date

For P B K & Co.

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

Membership No. 111592

Place : Mumbai

Dated : 20th April 2016

Motilal Oswal Capital Market (Singapore) Pte. Ltd.

Sameer Vasudev Kamath

Director

Abhijit Tare

Director

CASH FLOW STATEMENT

Cash Flow Statement for the year ended 31st March, 2016

Particulars	For the Year ended 31st March 2016 In ₹	For the Year ended 31st March 2015 In ₹
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	1,822,827	1,775,792
Adjustments for:		
Change in translation differences on foreign currency taken to reserves	871,115	(446,447)
Adjustment for working capital changes :		
Increase/ (Decrease) in current liabilities	820,399	(778,225)
(Increase)/Decrease in trade receivable	(319,733)	213,179
(Increase)/Decrease in short term loans and advances	(117,387)	(971,650)
CASH GENERATED FROM OPERATIONS	3,077,222	(207,351)
Change in tax balance	260,572	74,811
NET CASH FROM OPERATING ACTIVITIES	3,337,794	(132,539)
NET CASH FLOW FROM INVESTING ACTIVITIES	-	-
NET CASH FROM FINANCING ACTIVITIES	-	-
NET CASH FLOW FOR THE YEAR	3,337,794	(132,539)
Balance with bank in current account as at the opening of the year	6,990,022	7,106,830
Cash on hand	30,034	45,764
Balance with bank in current account as at the end of the year	10,310,541	6,990,022
Cash on hand	47,311	30,034
Total cash and bank balance as at the end of the year	10,357,851	7,020,056

As per our report of attached even date

For P B K & Co.

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

Membership No. 111592

Place : Mumbai

Dated : 20th April 2016

Motilal Oswal Capital Market (Singapore) Pte. Ltd.

Sameer Vasudev Kamath

Director

Abhijit Tare

Director

NOTES TO FINANCIAL STATEMENT

Note 1 : Share Capital

	As at 31-Mar-16		As at 31-Mar-15
	SGD	(₹)	(₹)
Authorized :			
10,00,00,000 Equity Shares of SGD 1 Each		3,700,000,000	3,700,000,000
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)	250,000	9,887,500	9,887,500
Total	250,000	9,887,500	9,887,500

Note 2: Reserves & Surplus

	As at 31-Mar-16		As at 31-Mar-15
	SGD	(₹)	(₹)
Deficit in the statement of profit and loss			
Opening Balance	(21,367)	(572,477)	(2,136,952)
Net Profit for the year	34,736	1,639,262	1,564,475
Translation reserve for the year		1,973,029	1,101,914
Closing Balance	13,369	3,039,814	529,437

Note 3 : Other current liabilities

	As at 31-Mar-16		As at 31-Mar-15
	SGD	(₹)	(₹)
Other Payables			
Creditors for expenses	31,283	1,535,504	431,951
Outstanding expenses	987	48,446	45,471
Total	32,270	1,583,950	477,422

Note 4 : Short term provision

	As at 31-Mar-16		As at 31-Mar-15
	SGD	(₹)	(₹)
Provision for Taxes	9,048	444,137	286,128
Total	9,048	444,137	286,128

NOTES TO FINANCIAL STATEMENT

Note 5 : Trade receivables

	As at 31-Mar-16		As at 31-Mar-15
	SGD	(₹)	(₹)
Unsecured, considered good, outstanding for a period less than six months(US)	63,874	3,135,223	2,815,490
Total	63,874	3,135,223	2,815,490

Note 6 : Cash and bank balances

	As at 31-Mar-16		As at 31-Mar-15
	SGD	(₹)	(₹)
Cash on hand	964	47,311	30,034
Balance with banks			
In current accounts	210,057	10,310,541	6,990,022
Total	211,021	10,357,851	7,020,056

Note 7 : Loans and advances

	As at 31-Mar-16		As at 31-Mar-15
	SGD	(₹)	(₹)
Advance rent	2,542	124,774	76,044
Others unsecured, considered good			
- Deposits	27,250	1,337,554	1,268,896
Total	29,792	1,462,326	1,344,940

Note 8 : Income from operations

	For the Period Ended	For the Period Ended
	31-Mar-16	As at 31-Mar-15
	(₹)	(₹)
Advisory fees	13,974,549	13,750,861
Total	13,974,549	13,750,861

Note 9 : Employee benefits

	For the Period Ended	For the Period Ended
	31-Mar-16	As at 31-Mar-15
	(₹)	(₹)
Salaries and incentives	3,821,527	7,037,312
Contribution to provident fund	410,197	411,717
Total	4,231,724	7,449,030

NOTES TO FINANCIAL STATEMENT

Note 10 : Other expenses

	For the Period Ended 31-Mar-16 (₹)	For the Period Ended As at 31-Mar-15 (₹)
Rent	2,706,490	2,905,937
Legal and professional fees	4,310,770	434,032
Travelling	237,673	353,411
Auditor's remuneration	165,174	219,900
Repairs and maintenance	123,776	227,175
Communication charges	133,990	142,306
Printing and stationery	73,219	74,587
Client entertainment expenses	50,099	79,210
Training expenses	—	12,400
Foreign exchange gain/(loss)	10,535	21,474
Membership and Subscription Charges	51,912	
Bank charges	50,944	55,606
Staff Welfare	5,418	
Total	7,919,997	4,526,039

Note 11 : 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, 2016 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.

Note 12 : Significant accounting policies

(a) Basis of preparation

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

(c) Conversion to Indian Rupees

For the purpose of these financial statements, 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.

NOTES TO FINANCIAL STATEMENT

(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.

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.

(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 13 : Taxation

Provision for the current tax has been made for ₹ 1,83,565/- (Previous year ₹ 2,11,317/-)

Note 14 : Operating Leases

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

During the year ₹ 27,06,490/- (Previous year 29,05,937/-) being lease rentals for the current year are recognized in the statement of profit and loss under the head " rent ".

As at March 31, 2016 the total future minimum lease payments under non-cancellable operating leases are payable as follows :-

Operating Lease Commitments

Particulars	April 1, 2015 to March 31, 2016 (₹)	April 1, 2014 to March 31, 2015 (₹)
Payable within 1 year	2,814,996	2,083,744
Payable after 1 year but not later than 5 years		204,435
Total	2,814,996	2,288,179

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 15 : Earnings per share

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

Particulars	April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015
Profit attributable to equity shareholders (₹)	1,639,262	1,564,475
Weighted average number of equity shares outstanding during the year	250,000	250,000
Nominal value per share (₹)	39.55	39.55
Earnings per share (Basic and diluted) (₹)	6.56	6.26

NOTES TO FINANCIAL STATEMENT

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 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 Private Limited
 - MOPE Investment Advisors Private Limited (earlier known as Motilal Oswal Ventures Capital Advisors Private Limited)
 - Motilal Oswal Wealth Management Private Limited (earlier known as Antop Traders 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
 - VISU Associates - Partnership firm
 - OSAG Enterprises LLP
- C) Key management personnel
- Abhijeet Tare - Director
 - Kadambari Balachandaran - Director

ii) Transactions with related parties for the year ended March 31, 2016

Transactions	Name of the related Party	2015-16	2014-15
Advisory Fees (charged) / paid	Motilal Oswal Securities Limited	(13,939,302)	(13,750,861)
Director's remuneration	Kadambari Balachandaran	2,862,131	2,866,643
Advisory fees outstanding at the year end	Motilal Oswal Securities Limited	3,014,395	2,815,490

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

Note 18 :

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

For P B K & Co.

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

Membership No. 111592

Place : Mumbai

Dated : 20th April 2016

Motilal Oswal Capital Market (Singapore) Pte. Ltd.

Sameer Vasudev Kamath

Director

Abhijit Tare

Director

Motilal Oswal Real Estate Investment Advisors Private Limited

Annual Report 2015-2016

INDEPENDENT AUDITORS' REPORT

To the Members of **MOTILAL OSWAL REAL ESTATE INVESTMENT ADVISORS PRIVATE LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Motilal Oswal Real Estate Investment Advisors Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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 standalone financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, 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 (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on 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 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;

INDEPENDENT AUDITORS' REPORT *(Contd..)*

- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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, we give our separate Report in "Annexure 2".
- 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 financial position;
 - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W

Amit A. Hundia

Partner

Membership No.120761

Place: Mumbai

Date: April 23, 2016

INDEPENDENT AUDITORS' REPORT *(Contd..)*

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Motilal Oswal Real Estate Investment Advisors Private Limited on the standalone financial statements for the year ended March 31, 2016.]

- (i) As informed, the Company does not have fixed assets. Accordingly, the provisions stated in paragraphs 3 (i)(a), 3(i) (b) and 3(i) (c) of the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the central Government of India in terms of Section 143 of the Companies Act, 2013 ("the Act") are not applicable.
- (ii) As informed, the Company does not have inventories. Accordingly, the provisions stated in paragraphs 3 (ii)(a), 3 (ii)(b) and 3 (ii)(c) of the Order are not applicable.
- (iii) As informed, 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, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) As informed, the Company has not given any loans or given guarantees and securities. Further, in respect of investments, the Company has complied with the provisions of Section 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other statutory dues applicable to it. However there have been slight delays in payment of profession tax and Tax Deducted at source (TDS).

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, there are no dues with respect to income tax, sales tax, service tax, value added tax, customs duty, excise duty, which have not been deposited on account of any dispute.
- (viii) The Company does not have any loan or borrowing from bank(s) / government(s) or dues to debenture holder(s). Further, according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution(s).
- (ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Therefore, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) As informed, the Company has not provided for any managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

(xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W

Amit A. Hundia

Partner

Membership No.120761

Place: Mumbai

Date: April 23, 2016

INDEPENDENT AUDITORS' REPORT *(Contd..)*

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Motilal Oswal Real Estate Investment Advisors Private Limited on the standalone financial statements for the year ended March 31, 2016]

Report on the Internal Financial Controls over Financial Reporting 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 Real Estate Investment Advisors Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements 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 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 specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, 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 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 judgement, including the assessment of the risks of material misstatement of the standalone financial statements, 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 standalone financial statements 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 March 31, 2016, 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 ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W

Amit A. Hundia

Partner

Membership No.120761

Place: Mumbai

Date: April 23, 2016

BALANCE SHEET

Balance Sheet as at March 31, 2016

	Note No.	As on 31-Mar-16 In (₹)	As on 31-Mar-15 In (₹)
I. EQUITY & LIABILITIES			
Share Holder's Funds :			
Share Capital	1	1,000,000	1,000,000
Reserve & Surplus	2	(5,022,801)	(2,221,659)
TOTAL	(A)	(4,022,801)	(1,221,659)
Non Current Liabilities			
Long term provisions	3	139,380	85,208
TOTAL	(B)	139,380	85,208
Current Liabilities			
Short term borrowings	4	3,617,298	881,177
Other current liabilities	5	216,256	80,062
Short term provisions	6	326,659	457,238
TOTAL	(C)	4,160,213	1,418,477
TOTAL	(A+B+C)	276,792	282,026
II. ASSETS			
Non - Current Assets			
Non Current Investment	7	188,307	192,620
Long Term Loans And Advances	8	49,187	22,199
TOTAL	(D)	237,494	214,819
Current Assets			
Cash and Bank Balance	9	36,163	61,620
Short Term Loans And Advances	10	3,135	5,587
TOTAL	(E)	39,298	67,207
TOTAL	(D+E)	276,792	282,026
Significant accounting policies	16		
Notes forming part of accounts	17 -26		

As per our attached report of even date

For Haribhakti & Co LLP

Chartered Accountants

ICAI Firm Registration No. 103523W

Amit A. Hundia

Partner

Membership No. 120761

Place : Mumbai

Dated : 23rd April 2016

For and on behalf of the Board of

Motilal Oswal Real Estate Investment Advisors Private 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, 2016

	Note No.	For The Year Ended 31-Mar-16 In (₹)	For The Year Ended 31-Mar-15 In (₹)
REVENUE:			
Other Income	11	13,752	5,116
Total Revenue	(A)	13,752	5,116
EXPENSES :			
Employee benefits expense	12	2,078,118	1,944,228
Finance costs	13	378,366	34,087
Other expenses	14	358,410	132,629
Total expenses	(B)	2,814,894	2,110,944
Extraordinary Items			
Profit/ (Loss) before tax (C)	(C = A - B)	(2,801,142)	(2,105,828)
Tax expense:			
Current tax		–	–
Deferred tax		–	–
Profit/ (Loss) for the period		(2,801,142)	(2,105,828)
Earnings per equity share:			
Equity share of face value of ₹ 10/- each			
Basic		(28.01)	(21.06)
Diluted		(28.01)	(21.06)
Significant accounting policies	16		
Notes forming part of accounts	17 -26		

As per our attached report of even date

For Haribhakti & Co LLP

Chartered Accountants

ICAI Firm Registration No. 103523W

Amit A. Hundia

Partner

Membership No. 120761

Place : Mumbai

Dated : 23rd April 2016

For and on behalf of the Board of
Motilal Oswal Real Estate Investment Advisors Private 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 2016

Particulars	For the Year ended 31st March 2016 (₹)	For the Year ended 31st March 2015 (₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	(2,801,142)	(2,105,828)
Adjustment for		
Interest paid	378,366	34,087
Partnership gain from IREF II LLP	(13,752)	(5,116)
Gratuity Expenses	88,588	40,622
Adjustment for working capital changes		
Increase/(Decrease) other long term provision	–	59,829
Increase/(Decrease) Other Current Liabilities	136,194	(35,903)
Increase/(Decrease) Short-term Provision	(164,995)	441,995
(Increase)/Decrease In Short-term Loans & Advances	2,452	(5,587)
(Increase)/Decrease In Other Current Assets	(26,988)	(15,648)
(Increase)/Decrease in Long Term Loans & Advances	–	–
CASH USED IN OPERATIONS	(2,401,277)	(1,591,549)
Taxes Paid (Net of Refunds)	–	(2,368)
NET CASH FROM OPERATING ACTIVITIES	(2,401,277)	(1,589,181)
CASH FLOW FROM INVESTING ACTIVITIES		
Refund from IREF II LLP	18,065	2,486
Proceed from sale of investment in subsidiary	–	10,000
NET CASH FLOW FROM INVESTING ACTIVITIES	18,065	12,486
CASH FLOW FROM FINANCING ACTIVITIES		
Loan taken	2,736,121	1,050,000
Interest paid	(378,366)	(211,695)
NET CASH FLOW FROM FINANCING ACTIVITIES	2,357,755	838,305
NET CASH FLOW FOR THE YEAR ENDED	(25,457)	(738,390)
Scheduled Bank - In Current Account	61,620	800,010
Total Cash & Cash Equivalents as at beginning of the year	61,620	800,010
Cash & Cash Equivalents as at end of the year		
Scheduled Bank - In Current Account	36,163	61,620
Total Cash & Cash Equivalents as at end of the year	36,163	61,620

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 Haribhakti & Co LLP

Chartered Accountants

ICAI Firm Registration No. 103523W

Amit A. Hundia

Partner

Membership No. 120761

Place : Mumbai

Dated : 23rd April 2016

For and on behalf of the Board of

Motilal Oswal Real Estate Investment Advisors Private Limited

Motilal Oswal

Director

DIN No. 00024503

Raamdeo Agarawal

Director

DIN No. 00024533

NOTES TO FINANCIAL STATEMENT

Note 1 : Share Capital

	As at 31-Mar-16		As at 31-Mar-15	
	Number of Shares	(₹)	Number of Shares	(₹)
Authorised :				
Equity Shares of ₹10/- Each (P.Y. ₹ 10/- each)	100,000	1,000,000	100,000	1,000,000
Issued, Subscribed and Paid Up :				
Equity Shares of ₹10/- Each (P.Y. ₹ 10/- each)	100,000	1,000,000	100,000	1,000,000
Of the above 89,999 shares (previous year 89,999 shares) held by holding company MOPE Investment Advisors Private Limited				
Total	100,000	1,000,000	100,000	1,000,000

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. The Company declares and pays dividend in Indian rupees. Each equity share has the same rate of dividend

Reconciliation of the number of shares outstanding

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Number of shares at the beginning	100,000	100,000
Add: Shares issued during the year	—	—
Number of shares at the end	100,000	100,000

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

Name of Shareholder	As at 31-Mar-16		As at 31-Mar-15	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Like Minded Wealth Creation Trust	10,000	10.00	10,000	10.00
MOPE Investment Advisors Private Limited	89,999	89.99	89,999	89.99

Note 2: Reserves and Surplus

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Surplus		
Opening balance	(2,221,659)	(115,831)
Net Profit / (Loss) For the year	(2,801,142)	(2,105,828)
Closing Balance	(5,022,801)	(2,221,659)

Note 3 : Long Term Provisions

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Provision for Employee Benefits - Gratuity	139,380	85,208
Total	139,380	85,208

NOTES TO FINANCIAL STATEMENT

Note 4 : Short Term Borrowings

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Loan from Related Party (unsecured) repayable on demand - from intermediate holding company (MOFSL)	3,617,298	881,177
Total	3,617,298	881,177

Note 5 : Other Current Liabilities

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Other Payables		
Taxes payable	26,924	7,368
For Expenses	189,332	72,694
Total	216,256	80,062

Notes to financial statements

Note 6 : Short Term Provisions

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Provision for Employee Benefits		
Provision for Ex Gratia	275,000	400,000
Provision for Gratuity	49,659	15,243
Other Provisions		
Provision For Expenses	2,000	41,995
Total	326,659	457,238

Note 7 : Non Current Investment

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Other Investment (Unsecured and Unquoted)		
Investment in Equity Instruments - Unquoted		
Investment in MORE II (Subsidiary)	89,990	89,990
Investment in Partnership firms		
Investment In IREF II LLP		
Opening Balance	102,630	100,000
Add : Contribution during the year		
Less : Refund during the year	(18,065)	(2,486)
Add : Partnership Gain	13,752	5,116
Closing Balance	98,317	102,630
Total	188,307	192,620

NOTES TO FINANCIAL STATEMENT

Particulars	2016 In (₹)		2015 In (₹)	
	Cost	Market Value	Cost	Market Value
Aggregate value of quoted investments and market value	NA	NA	NA	NA
Aggregate value of unquoted investments and market value	188,307	NA	192,620	–
Aggregate provision for diminution in value of investments	–	–	–	–

Sr. No.	Particulars	Subsidiary/ Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extend of Holding %		Amount (In ₹)	
			31-Mar-16	31-Mar-15			31-Mar-16	31-Mar-15	31-Mar-16	31-Mar-15
1	Investment in Equity Instruments									
	Motilal Real Estate Investment Advisors II Private Limited	Subsidiary	8,999	8,999	Unquoted	Fully Paid-up	89.00%	89.00%	89,990	89,990
2	Invest in Partnership Firm									
	Investment In IREF II LLP	Others	1	1	Unquoted	Fully Paid-up	100%	100%	98,317	102,630
	Total								188,307	192,620

Note 8 : Long Term Loans And Advances

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Others (Unsecured, Considered Good)		
Prepaid expenses	1,999	3,064
Other Loans and Advances (Unsecured, Considered good)		
Balances With Government Authorities	47,188	19,135
Total	49,187	22,199

Note 9 : Cash and Bank Balances

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Cash & Cash Equivalents		
Balances with Bank - In Current Accounts	36,163	61,620
Total	36,163	61,620

Note 10 : Short Term Loans And Advances

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Others (Unsecured, Considered good)		
Prepaid expenses	3,135	5,587
Total	3,135	5,587

Note 11 : Other Income

	For the Year Ended 31-Mar-16 (₹)	For the Year Ended 31-Mar-15 (₹)
Other Income		
Share of Profit from IREF II LLP	13,752	5,116
TOTAL	13,752	5,116

NOTES TO FINANCIAL STATEMENT

Note 12 : Employee Benefits Expense

	For the Year Ended 31-Mar-16 (₹)	For the Year Ended 31-Mar-15 (₹)
Salaries and incentives	1,989,530	1,903,606
Gratuity Expenses (Refer Note 24)	88,588	40,622
TOTAL	2,078,118	1,944,228

Note 13 : Finance cost

	For the Year Ended 31-Mar-16 (₹)	For the Year Ended 31-Mar-15 (₹)
Interest expense	378,366	34,087
TOTAL	378,366	34,087

Note 14 : Other Expenses

	For the Year Ended 31-Mar-16 (₹)	For the Year Ended 31-Mar-15 (₹)
Audit Fees (Refer Note 18)	165,000	50,000
Legal and Professional expenses	146,751	50,262
Rent	12,000	12,000
Rates and taxes	3,527	5,869
Miscellaneous Expenses	31,132	14,498
TOTAL	358,410	132,629

Note 15 : Nature of Business

Motilal Oswal Real Estate Investment Advisors Private Limited (the Company) was incorporated on September 13, 2013. The principal shareholder of the Company as at March 31, 2016 is MOPE Investment Advisors Private Limited.

The Company is 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 29th January, 2014 entered between Fund, the Company & Motilal Oswal Securities Limited. It shall also recommend the Portfolio Investments and Divestments to the Investment Committee, 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.

Note 16 : Significant accounting policies

(a) Basis of preparation of financial statements

The financial statements of the Company are prepared under the historical cost convention, on the accrual basis of accounting and comply in all material respects with the generally accepted accounting principles in India, the applicable accounting standards notified under Section 133 of the Companies Act, 2013, 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.

The accounting policies have been consistently applied by the Company and except for the changes, if any, in accounting policy discussed below, are consistent with those used in the previous year.

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.

NOTES TO FINANCIAL STATEMENT

(b) Use of estimates

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

(c) Borrowing Cost

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

(d) Investments

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

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

Current investments are valued at cost or market/fair value, whichever is lower. Carrying amount of individual investment is determined on the basis of average of carrying amount of total holding of investments.

(e) 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 29th January 2014, entered between IREF II LLP, the Company & Motilal Oswal Securities Limited.

(f) Taxation

Tax expenses 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

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

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

– Minimum Alternate Tax

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

(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

NOTES TO FINANCIAL STATEMENT

a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

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

(h) 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 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.

(i) Leases:

Where the Company is Lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

Note 17 : Earnings per share :

	As at 31-Mar-16	As at 31-Mar-15
Net Profit/(Loss) attributable to equity shareholders [A] (₹)	(2,801,142)	(2,105,828)
Number of Weighted Average equity shares issued [B]	100,000	100,000
Basic/Diluted Earnings per share (EPS)[A/B] (₹) Face Value of ₹ 10 Each	(28.01)	(21.06)

Note 18 : Auditor's Remuneration:

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
As Auditors:		
Audit Fees	165,000	50,000
In any other capacity, In respect of :		
Other certifications	50,000	–
Total	215,000	50,000

NOTES TO FINANCIAL STATEMENT

Note 19 : Provisions made for the Year ended 31st March, 2016 comprises of:

In ₹

	Opening balance as on 01-Apr-2015	Provided For the year ended 31st March, 2016	Provision Paid /reversed For the year ended 31st March, 2016	Closing balance as of 31st March, 2016
Ex Gratia (Bonus)	400,000	275,000	400,000	275,000
Gratuity	100,451	88,588	–	189,039

Provisions made for the Year ended 31st March, 2015 comprises of:

	Opening balance as on 01-Apr-2014	Provided For the year ended 31st March, 2015	Provision Paid /reversed For the year ended 31st March, 2015	Closing balance as of 31st March, 2015
Ex Gratia (Bonus)	–	892,176	492,176	400,000
Gratuity	–	100,451	–	100,451

Note 20 : Dues to micro, small and medium enterprises

To the extent information is available with the Company; there are no dues payable to any parties identified as Micro and Small Enterprises as per The Micro, Small and Medium Enterprises Development Act, 2006.

Note 21 :

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 and provision for all known and determined liabilities have been made.

Note 22 : Segment Information

Since the Company is engaged in single segment i.e. business of managing and advising real estate funds , there are no separate reportable segment as required under Accounting Standard – 17.

Note 23 :

During the year, ₹ 12,000/- (Previous year ₹ 12,000) has been recognised as Lease Payments 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 agreements are cancellable and there is no escalation clause

Note 24 : 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.

	31-Mar-16	31-Mar-15
I) Assumptions as at		
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest / Discount Rate	7.49%	7.77%
Rate of increase in compensation	10.00%	9.00%
Rate of return (expected) on plan assets		
Employee Attrition Rate(Past Service (PS))	PS: 0 to 37 : 15.87%	PS: 0 to 37 : 15.87%
Expected average remaining service	5.01	5.05

NOTES TO FINANCIAL STATEMENT

	31-Mar-16	31-Mar-15			
II Changes in present value of obligations					
PVO at beginning of period	100,451	–			
Interest cost	7,805	–			
Current Service Cost	47,147	41,639			
Past Service Cost- (non vested benefits)	–	–			
Past Service Cost -(vested benefits)	–	–			
Benefits Paid	–	–			
Actuarial (Gain)/Loss on obligation	33,636	58,812			
PVO at end of period	189,039	100,451			
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	–	–			
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)	(189,039)	(100,451)			
Excess of actual over estimated return on Plan Assets	–	–			
V Experience History	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
PVO at end of period	189,039	100,451	–	–	–
Fair Value of Plan Assets at end of period	–	–	–	–	–
Surplus / (Deficit)	(189,039)	(100,451)	–	–	–
(Gain)/Loss on obligation due to change in Assumption	11,965	–	–	–	–
Experience (Gain)/ Loss on obligation	21,671	58,812	–	–	–
Actuarial Gain/(Loss) on plan assets	–	–	–	–	–
VI Actuarial Gain/(Loss) Recognized					
Actuarial Gain/(Loss) for the period (Obligation)				(33,636)	(58,812)
Actuarial Gain/(Loss) for the period (Plan Assets)				–	–
Total Gain/(Loss) for the period				(33,636)	(58,812)
Actuarial Gain/(Loss) recognized for the period				(33,636)	(58,812)
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				–	–

NOTES TO FINANCIAL STATEMENT

	31-Mar-16	31-Mar-15
VIII Amounts to be recognized in the balance sheet and statement of profit & loss account		
PVO at end of period	189,039	100,451
Fair Value of Plan Assets at end of period	–	–
Funded Status	(189,039)	(100,451)
Unrecognized Actuarial Gain/(Loss)	–	–
Unrecognised Past Service Cost- non vested benefits	–	–
Net Asset/(Liability) recognized in the balance sheet	(189,039)	(100,451)
IX Expense recognized in the statement of P&L A/C		
Current Service Cost	47,147	41,639
Interest cost	7,805	–
Past Service Cost- (non vested benefits)	–	–
past Service Cost "(vested benefits)	–	–
Unrecognised Past Service Cost- non vested benefits	–	–
Expected Return on Plan Assets	–	–
Net Actuarial (Gain)/Loss recognized for the period	33,636	58,812
Expense recognized in the statement of P & L A/C	88,588	100,451
X Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	100,451	–
Expenses as above	88,588	100,451
Contribution paid	–	–
Closing Net Liability	189,039	100,451
XI Schedule III of Companies Act, 2013		
Current Liability	49,659	15,243
Non-Current Liability	139,380	85,208

Note 25 : Related Party Disclosure

(i) Relationships during the year

Ultimate Holding Company

- Passionate Investment Management Private Limited

Intermediate Holding Company

- Motilal Oswal Financial Services Limited

Holding Company

- MOPE Investment Advisors Private Limited

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 Asset Management Company Limited
- Motilal Oswal 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 Markets (Singapore) Pte. Limited
- Aspire Home Finance Corporation Limited

NOTES TO FINANCIAL STATEMENT

- Motilal Oswal Asset Management (Mauritius) Company Private Limited
- India Business Excellence Management Company
- Nagori Agro & Cattle Feeds Private Limited
- VISU Associates - Partnership firm
- OSAG Enterprises LLP

Subsidiaries

- Motilal Oswal Real Estate Investment Advisors II Private Limited

Key management personnel

- Motilal Oswal - Director
- Raamdeo Agarawal – Director

(ii) Transactions with related parties: 31-03-2016

(in ₹)

Transaction	Name of the related Party	Holding / Intermediate Holding / Subsidiary Company	
		2015-16	2014-15
Interest Expense	Motilal Oswal Financial Services Limited	378,366	34,087
Total Interest Expense		378,366	34,087
Rent Expense	Motilal Oswal Financial Services Limited	12,000	12,000
Total Rent Expense		12,000	12,000
Reimbursement of exp (Received)	MOPE Investment Advisors Private Ltd	–	(59,829)
	Motilal Oswal Real Estate Investment Advisors II Private Limited	–	(1,167)
Total Reimbursement of exp (Received)		–	(60,996)
Loans (Taken)	Motilal Oswal Financial Services Limited	(2,736,121)	(1,050,000)
Total Loan (Taken)		(2,736,121)	(1,050,000)
Loans Repaid	Motilal Oswal Financial Services Limited	–	211,695
Total Loan Repaid		–	211,695
Loan Taken (Maximum Balance)	Motilal Oswal Financial Services Limited	(3,617,298)	(881,179)
Total Loan Taken (Maximum Balance)		(3,617,298)	(881,179)
Investments (Maximum Balance)	Motilal Oswal Real Estate Investment Advisors II Private Limited	89,990	89,990
Total Investments (Maximum Balance)		89,990	89,990
Outstanding Balances:			
Unsecured Loan (Taken)	Motilal Oswal Financial Services Limited	(3,617,298)	(881,177)
Total Unsecured Loan (Taken)		(3,617,298)	(881,177)
Investments	Motilal Oswal Real Estate Investment Advisors II Private Limited	89,990	89,990
Total Investments		89,990	89,990

Note : All Loans referred above are repayable on demand

Note 26 :

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

For Haribhakti & Co LLP

Chartered Accountants

ICAI Firm Registration No. 103523W

Amit A. Hundia

Partner

Membership No. 120761

Place : Mumbai

Dated : 23rd April 2016

For and on behalf of the Board of

Motilal Oswal Real Estate Investment Advisors Private Limited

Motilal Oswal

Director

DIN No. 00024503

Raamdeo Agarawal

Director

DIN No. 00024533

**Motilal Oswal Real Estate Investment Advisors II
Private Limited**

Annual Report 2015-2016

BOARD'S REPORT

To the Members,

Your Directors have pleasure in presenting their 3rd Annual Report together with the audited Financial Statement of your Company for the year ended 31st March, 2016.

Financial Highlights

A summary of the financial performance of the Company for the financial year ended on 31st March, 2016 is given below:

Particulars	Amount (₹)	
	Financial Year Ended 31st March, 2016	Financial Year Ended 31st March, 2015
Revenue	156,386,902	109,963,655
Profit before Interest, Depreciation & Taxes	(491,894)	(28,325,218)
Interest Paid	2,833,562	131,428
Depreciation	15,122	19,755
Profit / (Loss) before Taxation and exceptional item	(3,340,578)	(28,476,401)
Less: Provision for Taxation		
Current Tax	—	—
Deferred Tax	(744,602)	(8,672,385)
Tax for earlier year(s)	—	—
Profit / (Loss) for the year	(2,595,976)	(19,804,016)
Balance Profit / (Loss) brought Forward	(34,810,364)	(15,006,348)
Less: Transfer to General Reserve	—	—
Less: Transitional Depreciation	—	—
Balance Profit / (Loss) carried Forward	(37,406,340)	(34,810,364)

Review of Operations and Future Outlook

Motilal Oswal Real Estate Investment Advisors II Private Limited is Investment Manager for India Realty Excellence Fund III (IREF III) and undertakes the business of Managing Funds in the Real Estate Space. It is also an Advisor to India Realty Excellence Fund II LLP (Fund).

India Realty Excellence Fund II LLP raised ₹ 4.90 billion assets, of which it has committed 93% across established developers in 8 deals following stringent due diligence process.

During the year in 3rd quarter, IREF III was launched with an AUM target of ₹ 12.50 billion, it announced its 1st close within four months in February 2016, raising commitments of ₹ 6.00 billion. It has made 1 investment so far.

The inauguration of "Motilal Oswal Real Estate Conclave", was hosted on the back of the launch of IREF III.

During the year under review, the company earned revenues of ₹ 156,386,902/- as compared to ₹ 109,963,655/- representing an increase of 42.27% from previous year. Loss after Tax was ₹ 2,595,976/- as compared to ₹ 19,804,016 representing a decrease in loss by 13 % from previous year.

Dividend and Reserves

Your Directors have not recommended payment of dividend for the Financial Year 2015-16 with a view to conserve the resources of the Company for the expansion of the operations of the Company.

During the year under review, the Company did not transfer any amount to Reserves.

Share Capital

The issued and paid-up share capital of the Company as on 31st March, 2016 is ₹ 49,600,000/- divided into 10,000 Equity Shares of ₹ 10/- each and 49,50,000 Preference Shares of ₹ 10/- each.

Deposits and Loans / Advances

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

During the year under review, the Company has accepted loans / advances from its Holding Company and the same is disclosed in the note no. 4 of annual accounts of the Company pursuant to Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Subsidiaries / Joint Ventures / Associate Companies

The Company does not have any Subsidiary Companies, Joint Ventures and Associate Companies as on 31st March, 2016.

Directors

During the year, there was no appointment or resignation of Directors(s).

Mr. Motilal Oswal, Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible has offered himself for re-appointment.

Number of Board Meetings

The Board meets at regular intervals to discuss and decide on the Company / business policy and strategy apart from other Board business. During the year under review, four Board Meetings were held and the interval between any two meetings was not more than 120 days. The status of attendance of Directors at these Board Meetings are as follows:

Name of the Director	Designation	Director Identification Number (DIN)	Meetings attended in Financial Year
Mr. Motilal Oswal	Director	00024503	4
Mr. Vishal Tulsyan	Director	00139754	4
Total meetings held during the year			4

Business Risk Management

The organization realizes the importance of Enterprise Risk Management (ERM) framework and had taken early initiatives towards its implementation of business risk management policy. The organization has introduced several improvements to the business risk management policy.

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

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

Internal Financial Controls

The Company has in place adequate Internal Financial Control systems with reference to financial statements. During the year under review, no material or serious observation has been received from the Auditors of the Company for inefficiency or inadequacy of such controls.

Loans, Guarantees and Investments

The details of investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in note no. 9 to financial statement. During the year under review, there were no loans and guarantees given by the Company.

Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

BOARD'S REPORT *(Contd.)*

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

Statutory Auditors

Your Company had appointed M/s Haribhakti & Co. LLP, as Statutory Auditors for the term of five years at the Annual General Meeting held on September 30, 2014. In compliance with the provisions of Section 139 of the Companies Act, 2013, the appointment of the auditors is to be ratified by the members at every Annual General Meeting. M/s Haribhakti & Co. LLP, Chartered Accountant (ICAI Firm Registration No. 103523W) have given their consent for re-appointment. The members are requested to ratify the appointment of Auditors and fix their remuneration.

There were no qualifications, reservations, adverse remarks or disclaimers in the report of Statutory Auditors of the Company nor any frauds were reported by the Auditor under Section 143(12) of the Companies Act, 2013.

Particulars of Employees as required under section 197 of the Companies Act, 2013 and rules framed there under

In accordance with the provisions of Section 197 of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the annexure pertaining to the names and other particulars of employees is available for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the said Annexure may write to the Company for the same.

Directors' Responsibility Statement

Pursuant to section 134(3)(c) of the Companies Act, 2013, your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the Profit & Loss of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis; and
- (v) they have devised proper systems to ensure compliance with the provisions of all applicable laws and the systems were adequate and operating effectively.

Extract of Annual Return

The Extract of Annual Return in Form MGT-9 under Section 92(3) and Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed herewith to this report as "Annexure 2".

Significant and Material Orders

There were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

Policy on Prevention of Sexual Harassment of Women at Workplace

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company is committed to provide an environment, which is free of discrimination, intimidation and abuse. The Company believes that it is the responsibility of the organisation to protect the integrity and dignity of its women employees and also to avoid conflicts and disruptions in the work environment due to such cases. The Company has put in place a 'Policy against Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy, any women employee may report her complaint to the Redressal Committee formed for this purpose. We affirm that adequate access was provided to any complainant who wish to register a complaint under the policy. There were no complaints received by the Company, during the FY 2015-16.

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

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

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

Mandatory Disclosures in the Boards' Report

Following mandatory disclosures in the Boards' Report pursuant to the provisions of the Companies Act, 2013 are not applicable to the Company:

- Section 134(3)(d) - A statement on declaration given by independent directors under sub-section (7) of section 149;
- Section 134(3)(e) - As per sub-section (1) of section 178, policies on appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178;
- Section 134(3)(f) - Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made by the Company secretary in practice in his secretarial audit report;
- Section 134(3)(l) - Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statement relate and the date of the report;
- Section 135 - Corporate Social Responsibility;
- Section 177 - Audit Committee;
- Section 177(9) - Establishment of Vigil Mechanism;
- Section 178 - Nomination And Remuneration Committee and stakeholders Relationship Committee;
- Section 203 - Appointment of Key Managerial Personnel;
- Section 204 - Secretarial Audit;
- Performance Evaluation of the Board of Directors;

Acknowledgments

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

For and on behalf of the Board of
Motilal Oswal Real Estate Investment Advisors II Private Limited

Motilal Oswal
Chairman
DIN: 00024503

Place : Mumbai

Date : 23rd April, 2016.

ANNEXURE 1 TO THE BOARD'S REPORT

Form No. AOC-2

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

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

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

NOT APPLICABLE

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

(Amount in ₹)

Sr. No.	Name of the Related Party	Nature of the relationship	Nature of Contract	Duration of Contract	Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any
1	MOPE Investment Advisors Private Limited	Holding Company	Availing of Services	On-going	Rent paid by Motilal Oswal Real Estate Advisors II Pvt Limited to MOPE Investment Advisors Private Limited	Nil
2	Motilal Oswal Securities Limited	Fellow Subsidiary	Rendering of Referral Services	On-going	Referral Fees received by by Motilal Oswal Real Estate Advisors II Pvt Limited from Motilal Oswal Securities Limited	Nil
3	Motilal Oswal Financial Services Limited	Holding Company	Rendering of Referral Services	On-going	Referral Fees received by by Motilal Oswal Real Estate Investment Advisors II Pvt Limited from Motilal Oswal Financial Services Limited	Nil
4	Motilal Oswal Securities Limited	Fellow Subsidiary	Availing of Placement & Referral Services	On-going	Placement Fees & Referral Fees Paid by Motilal Oswal Real Estate Investment Advisors II Pvt Limited to Motilal Oswal Securities Limited	Nil
5	Motilal Oswal Wealth Management Ltd	Fellow Subsidiaries	Availing of Placement & Referral Services	On-going	Placement Fees & Referral Fees Paid by Motilal Oswal Real Estate Investment Advisors II Pvt Limited to Motilal Oswal Wealth Management Limited	Nil
6	Motilal Oswal Financial Services Limited	Holding Company	Availing of Placement & Referral Services	On-going	Placement Fees & Referral Fees Paid by Motilal Oswal Real Estate Investment Advisors II Pvt Limited to Motilal Oswal Financial Services Limited	Nil
7	Motilal Oswal Financial Services Limited	Holding Company	Availing of Services	On-going	Interest paid on Loan taken by Motilal Oswal Real Estate Investment Advisors II Pvt Limited to Motilal Oswal Financial Services Limited	Nil
8	MOPE Investment Advisors Private Limited	Holding Company	Availing of Services	On-going	Interest paid on Loan taken by Motilal Oswal Real Estate Investment Advisors II Pvt Limited to MOPE Investment Advisors Private Limited	Nil

* Definition of Materiality has been adopted from Regulation 23 of the Listing Regulations, 2015 which states as follows: Transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statement of the Company. Since the Company does not have any subsidiary Company, materiality is decided based on transactions exceeding 10% of the standalone turnover as per the last audited financial statement of the Company.

For and on behalf of the Board of
Motilal Oswal Real Estate Investment Advisors II Private Limited

Motilal Oswal
Chairman

(DIN : 00024503)

Place : Mumbai
Date : 23rd April, 2016.

ANNEXURE 2 TO THE BOARD'S REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2016

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

I. Registration and Other Details:

i) CIN	U67190MH2014PTC253958
ii) Registration Date	07th March, 2014
iii) Name of the Company	Motilal Oswal Real Estate Investment Advisors II Private Limited
iv) Category / Sub Category of the Company	Public Limited Company
v) Address of the Registered Office and contact details	Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025. Tel. No. +91 22 3980 4200
vi) Whether Shares Listed On Recognized Stock Exchange(s)	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	–

II. Principal Business Activities of the Company (MOA)

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1	Advisory Fees	6619	51.13%
2	Setup Fees	6619	43.13%

III. Particulars of Holding, Subsidiary and Associate Companies

[No. of Companies for which information is being filled]

Sr. No	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Motilal Oswal Real Estate Investment Advisors Private Limited (MORE)	U74999MH2013PTC248200	Holding	90%	2(46)

Note:

1. There are no Subsidiary and Associate Companies of the Company as on 31st March, 2016.
2. Passionate Investment Management Private Limited (PIMPL) is the ultimate holding Company and holds 54.01% shares in Motilal Oswal Financial Services Limited (MOFSL).
3. Motilal Oswal Financial Services Limited (MOFSL) holds 100% shares in MOPE Investment advisors Private Limited.
4. MOPE Investment Advisors Private Limited holds 90% shares in Motilal Oswal Real Estate Investment Advisors Private Limited (MORE).

ANNEXURE 2 TO THE BOARD'S REPORT

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Bodies Corp	–	9,000	9,000	90	–	9,000	9,000	90	0
Sub-total (A) (1)	–	9,000	9,000	90	–	9,000	9,000	90	0
(2) Foreign	–	–	–	–	–	–	–	–	–
Sub-total (A) (2)	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	–	9,000	9,000	90	–	9,000	9,000	90	0
B. Public Shareholding									
1. Institutions	–	–	–	–	–	–	–	–	–
Sub-total (B)(1)	–	–	–	–	–	–	–	–	–
2. Non-Institutions	–	–	–	–	–	–	–	–	–
Individual shareholders holding nominal share capital upto ₹ 1 lakh	–	–	–	–	–	225	225	2.25	2.25
Others Mr. Navin Agarwal holding on behalf of Like Minded Wealth Creation Trust	–	1,000	1,000	10	–	775	775	7.75	2.25
Sub-total (B)(2)	–	1,000	1,000	10	–	1,000	1,000	10	–
Total Public Shareholding (B)=(B)(1)+ (B)(2)	–	–	–	–	–	–	–	–	–
C. Shares held by Custodian for GDRs & ADRs	–	–	–	–	–	–	–	–	–
GRAND TOTAL (A+B+C)	–	10,000	10,000	100	–	10,000	10,000	100	0

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	No. of shares	% of the total shares of the company	% of the shares pledged/ encumbered to total shares	% change in shareholding during the year
1	Motilal Oswal Real Estate Investment Advisors Private Limited	8,999	89.99	–	8,999	89.99	–	0
2	Motilal Oswal Real Estate Investment Advisors Private Limited Jointly with Mr. Motilal Oswal	1	0.01	–	1	0.01	–	0
	Total	9,000	90.00	–	9,000	90.00	–	–

ANNEXURE 2 TO THE BOARD'S REPORT

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

Sr. No.	Shareholder's Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year(01-04-2015 to 31-03-2016)	
		No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	Motilal Oswal Real Estate Investment Advisors Private Limited	8,999	89.99	01-04-2015	0	Nil movement during the year	8,999	89.99
		8,999	89.99	31-03-2016				
2	Motilal Oswal Real Estate Investment Advisors Private Limited jointly with Mr. Motilal Oswal	1	0.01	01-04-2015	0	Nil movement during the year	1	0.01
		1	0.01	31-03-2016				

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding		Date	Increase/ (Decrease) in shareholding	Reason	Cumulative Shareholding During the year	
		No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total Shares of the company				No. of Shares	% of total Shares of the company
1.	Mr. Navin Agarwal holding on behalf of Like Minded Wealth Creation Trust	1,000	10	01-04-2015	-	-	-	-
				02-02-2016	(225)	Transfer	775	7.75
		775	7.75	31-03-2016	-	-	-	-
2	Mr. Sharad Mittal	0	0	01-04-2015	-	-	-	-
		-	-	02-02-2016	225	Transfer	225	2.25
		225	2.25	31-03-2016	-	-	-	-

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Name	Designation	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NIL						

V. Indebtedness

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

Amount (₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	2,364	-	2,364
ii) Interest due but not paid	-	5,140	-	5,140
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	7,504	-	7,504
Change in Indebtedness during the financial year				
• Addition	-	164,071,104	-	164,071,104
• Reduction	-	80,002,364	-	80,002,364

ANNEXURE 2 TO THE BOARD'S REPORT

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Amount (₹) Total Indebtedness
Net Change	–	84,068,740	–	84,068,740
Indebtedness at the end of the financial year				
i) Principal Amount	–	84,071,104	–	84,071,104
ii) Interest due but not paid	–	2,550,208	–	2,550,208
iii) Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	–	86,621,312	–	86,621,312

VI. Remuneration of Directors and Key Managerial Personnel

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

Sr. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	–
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	–	–
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	–	–
2	Stock Option	–	–
3	Sweat Equity	–	–
4	Commission as % of profit	–	–
5	Others, please specify Variable Incentives	–	–
	Total (A)	–	–
	Ceiling as per the Act *5% of the net profit calculated as per Section 198		–

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors		
	• Fee for attending board / committee meetings	–	–
	• Commission	–	–
	• Others, please specify	–	–
	Total (1)	–	–
2.	Other Non-Executive Directors		
	• Fee for attending board / committee meetings	–	–
	• Commission	–	–
	• Others, please specify	–	–
	Total	–	–

ANNEXURE 2 TO THE BOARD'S REPORT

C. Remuneration to key managerial personnel other than MD / Manager / WTD: Nil

Amount (₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-

VII. Penalties / Punishment / Compounding of Offences:

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

For and on behalf of the Board of
Motilal Oswal Real Estate Investment Advisors II Private Limited

Place : Mumbai
Date : 23rd April, 2016.

Motilal Oswal
Chairman
(DIN : 00024503)

INDEPENDENT AUDITORS' REPORT

To the Members of **MOTILAL OSWAL REAL ESTATE INVESTMENT ADVISORS II PRIVATE LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of Motilal Oswal Real Estate Investment Advisors II Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, 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 (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on 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 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;

INDEPENDENT AUDITORS' REPORT *(Contd..)*

- 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 statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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, we give our separate Report in "Annexure 2".
- 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 financial position;
 - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W

Amit A. Hundia

Partner

Membership No.120761

Place: Mumbai

Date: April 23, 2016

INDEPENDENT AUDITORS' REPORT (Contd..)

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Motilal Oswal Real Estate Investment Advisors II Private Limited on the financial statements for the year ended March 31, 2016.]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) As informed, the company does not have any immovable property. Accordingly, the provisions stated in paragraph 3(i) (c) of the Order are not applicable to the Company.
- (ii) As informed, the Company does not have inventories. Accordingly, the provisions stated in paragraphs 3 (ii)(a), 3 (ii)(b) and 3 (ii)(c) of the Order are not applicable.
- (iii) As informed, 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, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.
- (iv) As informed, the Company has not given any loans or given guarantees and securities. Further, in respect of investments, the Company has complied with the provisions of Section 186 of the Act.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other statutory dues applicable to it. However there have been slight delays in payment of profession tax and provident fund.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax, customs duty, excise duty, cess and any other statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

 - (b) According to the information and explanation given to us, there are no dues with respect to income tax, sales tax, service tax, value added tax, customs duty, excise duty, which have not been deposited on account of any dispute.
- (viii) The Company does not have any loan or borrowing from bank(s) / government(s) or dues to debenture holder(s). Further, according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution(s).
- (ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Therefore, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.
- (xi) As informed, the Company has not provided for any managerial remuneration. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, paragraph 3(xiv) of the Order is not applicable to the Company.

INDEPENDENT AUDITORS' REPORT *(Contd..)*

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W

Amit A. Hundia

Partner

Membership No.120761

Place: Mumbai

Date: April 23, 2016

INDEPENDENT AUDITORS' REPORT *(Contd..)*

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Motilal Oswal Real Estate Investment Advisors II Private Limited on the financial statements for the year ended March 31, 2016]

Report on the Internal Financial Controls over Financial Reporting 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 Real Estate Investment Advisors II Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements 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 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 specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, 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 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 judgement, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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 March 31, 2016, 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 ICAI.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W

Amit A. Hundia

Partner

Membership No.120761

Place: Mumbai

Date: April 23, 2016

BALANCE SHEET

Balance Sheet as at March 31, 2016

	Note No.	As on 31-Mar-16 (₹)	As on 31-Mar-15 (₹)
I EQUITY AND LIABILITIES			
Share Holder's Funds :			
Share Capital	1	49,600,000	49,600,000
Reserve & Surplus	2	(37,406,340)	(34,810,364)
TOTAL	(A)	12,193,660	14,789,636
Non Current Liabilities			
Long term provisions	3	985,399	810,876
TOTAL	(B)	985,399	810,876
Current Liabilities			
Short term borrowings	4	86,621,312	7,504
Trade Payables	5	96,305,545	10,623,448
Other current liabilities	6	12,929,632	4,064,380
Short term provisions	7	13,824,863	12,157,472
TOTAL	(C)	209,681,352	26,852,804
TOTAL	(A+B+C)	222,860,411	42,453,316
II. ASSETS			
Non - Current Assets			
Fixed assets	8		
Tangible Assets		7,302	22,424
Non-Current Investment	9	10	-
Deferred tax assets (net)	10	16,291,448	15,546,847
Long Term Loans and Advances	11	50,835,894	13,326,166
TOTAL	(D)	67,134,654	28,895,437
Current Assets			
Trade Receivable	12	94,252,733	2,209,835
Cash and Bank Balance	13	47,114,946	6,877,423
Short term loans & advances	14	14,358,078	4,470,621
TOTAL	(E)	155,725,757	13,557,879
TOTAL	(D+E)	222,860,411	42,453,316
Significant Accounting Policies	21		
Notes forming part of accounts	22 -32		

As per our attached report of even date

For Haribhakti & Co LLP

Chartered Accountants

ICAI Firm Registration No. 103523W

Amit A. Hundia

Partner

Membership No. 120761

Place : Mumbai

Dated : 23rd April 2016

For and on behalf of the Board of

Motilal Oswal Real Estate Investment Advisors II Private Limited

Motilal Oswal

Director

DIN No. 00024503

Vishal Tulsyan

Director

DIN No. 00139754

STATEMENT OF PROFIT AND LOSS

Statement of Profit and Loss for the year ended 31st March, 2016

	Note No.	For The Period Ended 31-Mar-16 (₹)	For The Period Ended 31-Mar-15 (₹)
INCOME :			
Revenue from Operations	15	153,186,902	108,787,145
Other Income	16	3,200,000	1,176,510
Total Revenue	(A)	156,386,902	109,963,655
EXPENSES :			
Employee benefits expense	17	37,995,564	34,498,095
Finance Cost	18	2,846,862	131,428
Other expenses	19	118,869,932	103,790,778
Depreciation	8	15,122	19,755
Total expenses	(B)	159,727,480	138,440,056
Profit/ (Loss) before tax (C)	(A - B)	(3,340,578)	(28,476,401)
Tax expense:			
Current tax		–	–
Deferred tax		744,602	8,672,385
Total Tax expense	(D)	744,602	8,672,385
Profit / (Loss) after tax (E)	(C - D)	(2,595,976)	(19,804,016)
Profit (Loss) for the year		(2,595,976)	(19,804,016)
Earnings per equity share:			
Basic (F.V. of ₹ 10/- per share)		(259.60)	(1,980.40)
Diluted (F.V. of ₹ 10/- per share)		(259.60)	(1,980.40)
Significant Accounting Policies	21		
Notes forming part of accounts	22 -32		

As per our attached report of even date

For Haribhakti & Co LLP

Chartered Accountants

ICAI Firm Registration No. 103523W

Amit A. Hundia

Partner

Membership No. 120761

Place : Mumbai

Dated : 23rd April 2016

For and on behalf of the Board of

Motilal Oswal Real Estate Investment Advisors II Private Limited

Motilal Oswal

Director

DIN No. 00024503

Vishal Tulsyan

Director

DIN No. 00139754

CASH FLOW STATEMENT

Cash flow statement as of 31st March, 2016

Particulars	For the Year ended 31st March, 2016 (₹)	For the Year ended 31st March, 2015 (₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	(3,340,578)	(28,476,401)
Adjustment for		
Interest Expenses	2,846,862	131,428
Depreciation	15,122	19,755
Profit on sale of investment	–	(552,611)
Dividend Income	–	(123,899)
Gratuity Expenses	245,654	424,688
Adjustment for working capital changes		
Increase/(Decrease) other short term provision	1,596,260	12,089,992
Increase/(Decrease) Other Current Liabilities	8,865,252	(3,397,602)
Increase/(Decrease) Trade Receivable	(92,042,899)	21,666,326
Increase/(Decrease) Trade Payables	85,682,096	(31,977,711)
(Increase)/Decrease In Short-term Loans & Advances	(9,085,727)	873,378
(Increase)/Decrease In Long term loans and advances	(22,553,820)	(2,994)
Increase/(Decrease) In Long term Provision	–	536,619
CASH USED IN OPERATIONS	(27,771,778)	(28,789,032)
Taxes Paid (Net of Refunds)	(15,757,637)	(10,990,604)
NET CASH FROM OPERATING ACTIVITIES	(43,529,415)	(39,779,636)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	–	(42,179)
Investment in Mutual Fund	–	(76,000,000)
Proceeds from sale of Mutual Fund	–	76,552,611
Dividend Income	–	123,898
Investment In shares	(10)	–
NET CASH FLOW FROM INVESTING ACTIVITIES	(10)	634,330

CASH FLOW STATEMENT (Contd..)

Particulars	For the Year ended 31st March, 2016 (₹)	For the Year ended 31st March, 2015 (₹)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of Share Capital (Preference Shares)	–	49,500,000
Receipts from Short term Borrowings	166,613,808	19,872,877
Repayment of Short term Borrowings	(80,000,000)	(24,488,485)
Interest Expenses	(2,846,862)	(131,428)
NET CASH FLOW FROM FINANCING ACTIVITIES	83,766,946	44,752,964
NET CASH FLOW FOR THE YEAR ENDED	40,237,521	5,607,658
Cash & Cash Equivalents comprise of		
Scheduled Bank - In Current Account	6,877,423	1,269,764
Fixed Deposit with Banks	–	–
Total Cash & Cash Equivalents as at beginning of the year	6,877,423	1,269,764
Cash & Cash Equivalents as at end of the year		
Cash on hand	112,553	–
Scheduled Bank - In Current Account	47,002,393	6,877,423
Fixed Deposit with Banks	–	–
Total Cash & Cash Equivalents as at end of the year	47,114,946	6,877,423

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 Haribhakti & Co LLP

Chartered Accountants

ICAI Firm Registration No. 103523W

Amit A. Hundia

Partner

Membership No. 120761

Place : Mumbai

Dated : 23rd April 2016

For and on behalf of the Board of

Motilal Oswal Real Estate Investment Advisors II Private Limited

Motilal Oswal

Director

DIN No. 00024503

Vishal Tulsyan

Director

DIN No. 00139754

NOTES TO FINANCIAL STATEMENT

Note 1 : Share Capital

	As at 31-Mar-16		As at 31-Mar-15	
	Number of Shares	(₹)	Number of Shares	(₹)
Authorized :				
Equity Shares of ₹.10/- Each (P.Y. ₹ 10/- each)	50,000	500,000	10,000	100,000
8% Non Cumulative Preference Shares of ₹ 10/- Each (P.Y. ₹ 10/- each)	4,950,000	49,500,000	4,950,000	49,500,000
Issued, Subscribed and Paid Up :				
Equity Shares of ₹.10/- Each (P.Y. ₹ 10/- each)				
Of the above 9,000 shares (previous year 9,000 shares) held by holding company Motilal Oswal Real Estate Investment Advisors Private Limited	10,000	100,000	10,000	100,000
8% Non Cumulative Preference Shares of ₹ 10/- each (P.Y. ₹ 10/- each)	4,950,000	49,500,000	4,950,000	49,500,000
Of the above 49,50,000 shares (Previous year 49,50,000) held by MOPE Investment Advisors Private Limited				
Total	4,960,000	49,600,000	4,960,000	49,600,000

1.1 Rights, preferences and restrictions attached to shares

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

Preference Shares :

The Company has one class of preference shares having a par value of ₹ 10/- and there are 49,50,000 preference shares issued & subscribed as on 31.03.2016, redeemable on or before end of 10 years from the date of allotment at the option of company. The shares will carry preferential right vis a vis equity share of the company with respect to payment of dividend and repayment in case of winding up or repayment of capital

- 1.2** 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.

1.3 Reconciliation of the number of shares outstanding

A) Equity Shares :

	As at 31-Mar-16 Number of Shares	As at 31-Mar-15 Number of Shares
Number of shares at the beginning	10,000	10,000
Add: Shares issued during the year	—	—
Number of shares at the end	10,000	10,000

B) Preference Shares :

	As at 31-Mar-16 Number of Shares	As at 31-Mar-15 Number of Shares
Number of shares at the beginning	4,950,000	—
Add: Shares issued during the year	—	4,950,000
Number of shares at the end	4,950,000	4,950,000

NOTES TO FINANCIAL STATEMENT

1.4 Shares in the Company held by each shareholder holding more than 5% shares specifying the number of shares held :

A) Equity Shares :

Name of Shareholder	As at 31-Mar-16		As at 31-Mar-15	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Like Minded Wealth Creation Trust	775	7.75	1,000	10.00
Motilal Oswal Real Estate Investment Advisory Pvt Ltd	9,000	90.00	9,000	90.00

B) Preference Shares :

Name of Shareholder	As at 31-Mar-16		As at 31-Mar-15	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
MOPE Investment Advisors Private Limited	4,950,000	100.00	4,950,000	100.00

Note 2: Reserves and Surplus

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Surplus balance in statement of profit and loss		
Opening balance	(34,810,364)	(15,006,348)
(+) Net Loss For the current year	(2,595,976)	(19,804,016)
Closing Balance	(37,406,340)	(34,810,364)

Note 3 : Long Term Provisions

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Provision for Employee Benefit For Gratuity	985,399	810,876
Total	985,399	810,876

Note 4 : Short Term Borrowings

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Loan and advance from Related Party, Repayable on demand (Unsecured, Considered Good)		
Motilal Oswal Financial services Ltd (Intermediate Holding Company)	36,605,451	7,504
MOPE Investment Advisors Private Limited (Intermediate Holding Company)	50,015,861	—
Total	86,621,312	7,504

NOTES TO FINANCIAL STATEMENT

Note 5: Trade Payables

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Due to:		
MSME	–	–
Others	96,305,545	10,623,448
Total	96,305,545	10,623,448

Note 6 : Other Current Liabilities

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Other Payables		
Taxes Payables	10,471,646	3,179,245
For Expenses	1,023,401	653,091
Others	1,434,584	232,044
Total	12,929,632	4,064,380

Note 7 : Short Term Provisions

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Provision for Employee Benefit		
For Exgratia	13,555,000	11,600,000
For Gratuity	90,164	19,033
Others		
Provision for Expenses (ST)	179,699	538,439
Total	13,824,863	12,157,472

Note 8 : Fixed Assets

(in ₹)

PARTICULARS	GROSS BLOCK				DEPRICIATION				NET BLOCK	
	As At 1-Apr-15	Additions	Deduction	As At 1-Apr-16	As At 1-Apr-15	Additions	Deduction	As At 1-Apr-16	As At 1-Apr-16	As At 1-Apr-15
COMPUTER	42,179	–	–	42,179	19,755	15,122	–	34,877	7,302	22,424
TOTAL	42,179	–	–	42,179	19,755	15,122	–	34,877	7,302	22,424

Previous Year

(in ₹)

PARTICULARS	GROSS BLOCK				DEPRICIATION				NET BLOCK	
	As At 1-Apr-14	Additions	Deduction	As At 1-Apr-15	As At 1-Apr-14	Additions	Deduction	As At 1-Apr-15	As At 1-Apr-15	As At 1-Apr-14
COMPUTER	–	42,179	–	42,179	–	19,755	–	19,755	22,424	–
TOTAL	–	42,179	–	42,179	–	19,755	–	19,755	22,424	–

NOTES TO FINANCIAL STATEMENT

Note 9 : Non Current Investments (At Cost)

Name of the Body Corporate	JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (in ₹)	
		31-Mar-16	31-Mar-15			Face Value	Face Value	31-Mar-16	31-Mar-15
Other Investments									
Investment in equity instruments									
Investment in Equity Shares of Aspire Home Finance Corporation Ltd. (F.V. of ₹ 10/- each)	Fellow Subsidiary	1	–	Unquoted	Fully paid-up	0.00%	0.00%	10	–
Total								10	–

Note 10: Deferred Taxes (Net)

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Deferred tax assets		
Carry forward losses	15,958,078	15,289,478
Timing difference u/s 40 A(7) and 35 (D)	333,370	257,369
Total	16,291,448	15,546,847

Note 11: Long Term Loans and Advances

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Other Loans and Advances (Unsecured, considered good)		
TDS Receivable	29,080,809	13,323,172
Prepaid Expenses	21,755,085	2,994
Total	50,835,894	13,326,166

Note 12: Trade Receivable

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Unsecured, Considered good		
Outstanding for a period more than six months	–	–
Others	94,252,733	2,209,835
Total	94,252,733	2,209,835

Note 13: Cash and Bank Balance

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Cash and Cash Equivalents		
Balances with banks		
In Current Account	47,002,393	6,877,423
Cash on hand	112,553	–
Total	47,114,946	6,877,423

NOTES TO FINANCIAL STATEMENT

Note 14: Short Term Loans and Advances

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Secured, Considered Good		
Loan to employees	3,533,524	–
Others (Unsecured, considered good)		
Service Tax Credit Receivable	5,197,632	4,311,067
Prepaid Expenses	5,626,922	159,554
TOTAL	14,358,078	4,470,621

Note 15: Revenue from operations

	For the Year Ended 31-Mar-16 (₹)	For the Year Ended 31-Mar-15 (₹)
Sale of Services Referral Fee Received	5,778,664	19,189,972
Advisory Fees - Fund	71,048,238	23,722,184
Advisory Fees - Others	8,910,000	38,844,989
Setup Fees	67,450,000	27,030,000
TOTAL	153,186,902	108,787,145

Note 16: Other Income

	For the Year Ended 31-Mar-16 (₹)	For the Year Ended 31-Mar-15 (₹)
Profit on sale of Investment	–	552,611
Dividend Income	–	123,899
Recovery of Out of pocket expenses	3,200,000	500,000
TOTAL	3,200,000	1,176,510

Note 17: Employee Benefit Expenses

	For the Year Ended 31-Mar-16 (₹)	For the Year Ended 31-Mar-15 (₹)
Salary Bonus and Employee Benefit	37,576,199	33,971,681
Employers P. F Administrative Exp	28,027	10,092
Staff Welfare	145,684	91,634
Gratuity Expenses (Refer Note 28)	245,654	424,688
Total	37,995,564	34,498,095

NOTES TO FINANCIAL STATEMENT

Note 18: Finance Cost

	For the Year Ended 31-Mar-16 (₹)	For the Year Ended 31-Mar-15 (₹)
Interest Cost	2,833,562	131,428
Other Borrowing Cost	13,300	
TOTAL	2,846,862	131,428

Note 19: Other Expenses

	For the Year Ended 31-Mar-16 (₹)	For the Year Ended 31-Mar-15 (₹)
Placement Fees	95,900,807	72,017,539
Referral Fees	6,863,813	19,909,406
Remuneration to Auditors (Refer Note 23)	225,000	150,000
Legal and Professional	3,585,198	4,168,938
Rent	2,933,300	2,928,420
Market and Brand Promotion expenses	42,228	595,596
Misc Exp.	884,719	136,481
Meeting and Seminar Expenses	2,328,759	623,685
Memership and Subscription Charges	947,131	1,059,789
Printing and Stationery	1,031,024	151,107
Bank Charges	8,881	2,486
Travelling expenses	2,441,084	1,917,866
Rates and Taxes	364,391	5,933
Client Entertainment expenses	197,346	123,532
SEBI Registration Fees	1,000,000	-
Depository charges	66,000	-
Computer Maintenance & Software Charges	50,250	-
TOTAL	118,869,932	103,790,778

Note 20 : Nature of Business

Motilal Oswal Real Estate Investment Advisors II Private Limited (the Company) was incorporated on March 07, 2014. The principal shareholder of the Company as at March 31, 2016 is Motilal Oswal Real Estate Investment Advisors Pvt. Ltd.

The Company is an Investment Manager and Venture Capital Advisor managing fund 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.

NOTES TO FINANCIAL STATEMENT

Note 21 : Significant Accounting Policies

(a) Basis of preparation of financial statements

The financial statements of the Company are prepared under the historical cost convention, on the accrual basis of accounting and comply in all material respects with the generally accepted accounting principles in India, the applicable accounting standards notified under Section 133 of the Companies Act, 2013, 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.

The accounting policies have been consistently applied by the Company and except for the changes, if any, in accounting policy discussed below, are consistent with those used in the previous year.

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.

(b) Use of estimates

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

(c) Fixed Assets & depreciation

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

(d) Borrowing Cost

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

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

Current investments are valued at cost or market/fair value, whichever is lower. Carrying amount of individual investment is determined on the basis of average of carrying amount of total holding of investments.

(f) Revenue Recognition

– 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.

NOTES TO FINANCIAL STATEMENT

(g) Taxation

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

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

– 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 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 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 realized.

– Minimum Alternate Tax

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

(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.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

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

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

(i) Employee benefits:

– Provident Fund

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

– Gratuity

Gratuity is post employment benefit and is in the nature of Defined Benefit Plan. The Liability recognized in the balance sheet in respect of gratuity is the present value of defined benefit obligation at the balance sheet date and less than 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.

NOTES TO FINANCIAL STATEMENT

(j) Leases:

Where the Company is Lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

(k) Foreign Currency Transactions:

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of the transaction. Exchange differences, if any arising out of transactions settled during the year are recognized in the Statement of Profit and Loss 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 recognized in the Statement of Profit and Loss and related assets and liabilities are accordingly restated in the balance.

Note 22 : Earnings per share :

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Net Profit attributable to equity shareholders [A] (₹)	(2,595,976)	(19,804,016)
Weighted Average number of equity shares issued [B]	10,000	10,000
Basic/Diluted Earnings per share (EPS) (face value ₹ 10/- each)[A/B] (₹)	(259.60)	(1,980.40)

Note 23 : Auditor's Remuneration:

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
As Auditors:		
Audit Fees	165,000	100,000
Tax Audit Fees	60,000	50,000
Total	225,000	150,000

Note 24 : Provisions made for the period ended 31st March, 2016 comprises of:

In ₹

	Opening balance as on 01.04.2015	Provided during the year	Provision reversed/ paid during the year	Closing balance as on 31.03.2016
Ex-gratia	11,600,000	13,555,000	11,600,000	13,555,000
Gratuity	829,909	245,654	–	1,075,563
Compensated Absences	104,164	100,822	104,164	100,822

Provisions made for the period ended 31st March, 2015 comprises of:

	Opening balance as on 01.04.2014	Provided during the year	Provision reversed/ paid during the year	Closing balance as on 31.03.2015
Ex-gratia	–	12,446,480	846,480	11,600,000
Gratuity	–	902,367	72,458	829,909
Compensated Absences	–	104,164	–	104,164

NOTES TO FINANCIAL STATEMENT

Note 25 : Dues to micro and small enterprises

To the extent information is available with the Company; there are no dues payable to any parties identified as Micro and Small Enterprises as per The Micro, Small and Medium Enterprises Development Act, 2006.

Note 26 :

In the opinion of the Board of Directors, all fixed assets, 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 and provision for all known and determined liabilities have been made.

Note 27 : Segment Information:

Since the Company is engaged in single segment i.e. Advising and managing real estate funds, there are no separate reportable segment as required under Accounting Standard – 17.

Note 28 : Employee Benefit Disclosure

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.

(a) Defined Contribution Plan

Particulars	31-Mar-16 ₹ in Million	31-Mar-15 ₹ in Million
Employer's Contribution to Provident Fund	351,107	115,692

(b) Defined Benefit Plan

	31-Mar-16	31-Mar-15
I) Assumptions as at		
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest / Discount Rate	7.49%	7.77%
Rate of increase in compensation	10.00%	10.00%
Rate of return (expected) on plan assets		
Employee Attrition Rate(Past Service (PS))	PS: 0 to 37 : 15.87%	PS: 0 to 37 : 0.15.87%
Expected average remaining service	5.12	5.12
II) Changes in present value of obligations		
PVO at beginning of period	829,909	–
Interest cost	64,484	–
Current Service Cost	489,295	430,658
Past Service Cost- (non vested benefits)	–	–
Past Service Cost -(vested benefits)	–	–
Benefits Paid	–	–
Actuarial (Gain)/Loss on obligation	(308,125)	399,251
PVO at end of period	1,075,563	829,909

NOTES TO FINANCIAL STATEMENT

				31-Mar-16	31-Mar-15
III Changes in fair value of plan assets					
Fair Value of Plan Assets at beginning of period				–	–
Expected Return on Plan Assets				–	–
Contributions				–	–
Benefit Paid				–	–
Actuarial Gain/(Loss) on plan assets				–	–
Fair Value of Plan Assets at end of period				–	–
IV Fair Value of Plan Assets					
Fair Value of Plan Assets at beginning of period				–	–
Actual Return on Plan Assets				–	–
Contributions				–	–
Benefit Paid				–	–
Fair Value of Plan Assets at end of period				–	–
Funded Status (including unrecognised past service cost)				(1,075,563)	(829,909)
Excess of actual over estimated return on Plan Assets				–	–
V Experience History	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13	31-Mar-12
PVO at end of period	1,075,563	829,909	–	–	–
Fair Value of Plan Assets at end of period	–	–	–	–	–
Surplus / (Deficit)	(1,075,563)	(829,909)	–	–	–
(Gain)/Loss on obligation due to change in Assumption	20,022	–	–	–	–
Experience (Gain)/ Loss on obligation	(328,147)	399,251	–	–	–
Actuarial Gain/(Loss) on plan assets	–	–	–	–	–
VI Actuarial Gain/(Loss) recognized				31-Mar-16	31-Mar-15
Actuarial Gain/(Loss) for the period (Obligation)				308,125	(399,251)
Actuarial Gain/(Loss) for the period (Plan Assets)				–	–
Total Gain/(Loss) for the period				308,125	(399,251)
Actuarial Gain/(Loss) recognized for the period				308,125	(399,251)
Unrecognized Actuarial Gain/(Loss) at end of period				–	–
VII Past Service Cost recognized					
Past Service Cost- (non vested benefits)				–	–
Past Service Cost -(vested benefits)				–	–
Average remaining future service till vesting of the benefit				–	–
Recognised Past service Cost- non vested benefits				–	–
Recognised Past service Cost- vested benefits				–	–
Unrecognised Past Service Cost- non vested benefits				–	–

NOTES TO FINANCIAL STATEMENT

	31-Mar-16	31-Mar-15
VIII Amounts to be recognized in the balance sheet and statement of profit & loss account		
PVO at end of period	1,075,563	829,909
Fair Value of Plan Assets at end of period	–	–
Funded Status	(1,075,563)	(829,909)
Unrecognized Actuarial Gain/(Loss)	–	–
Unrecognised Past Service Cost- non vested benefits	–	–
Net Asset/(Liability) recognized in the balance sheet	(1,075,563)	(829,909)
IX Expense recognized in the statement of P&L A/C		
Current Service Cost	489,295	430,658
Interest cost	64,484	–
Past Service Cost- (non vested benefits)	–	–
past Service Cost "(vested benefits)	–	–
Unrecognised Past Service Cost- non vested benefits	–	–
Expected Return on Plan Assets	–	–
Net Actuarial (Gain)/Loss recognized for the period	(308,125)	399,251
Expense recognized in the statement of P&L A/C	245,654	829,909
X Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	829,909	–
Expenses as above	245,654	829,909
Contribution paid	–	–
Closing Net Liability	1,075,563	829,909
XI Schedule III of Companies Act 2013		
Current Liability	90,164	19,033
Non-Current Liability	985,399	810,876

Note 29 : 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 Private Limited
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Insurance Brokers Private Limited
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisors Private Limited

NOTES TO FINANCIAL STATEMENT

- 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
- VISU Associates - Partnership firm
- OSAG Enterprises LLP
- Nagori Agro & Cattle Feeds Private Limited

Key management personnel

- Motilal Oswal - Director
- Vishal Tulsyan - Director

(ii) Transactions with related parties

(in ₹)

Transaction	Name of the related Party	Holding / Intermediate / Ultimate Holding Company		Fellow Subsidiaries		Total	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Rent Paid	MOPE Investment Advisors Private Limited	2,928,420	2,928,420	–	–	2,928,420	2,928,420
Total Rent Paid		2,928,420	2,928,420	–	–	2,928,420	2,928,420
Referral fees (Received)	Motilal Oswal Securities Limited	–	–	(4,012,587)	(7,281,913)	(4,012,587)	(7,281,913)
	Motilal Oswal Financial Services Limited	(1,766,077)	(11,908,059)	–	–	(1,766,077)	(11,908,059)
Total Referral Fees (Received)		(1,766,077)	(11,908,059)	(4,012,587)	(7,281,913)	(5,778,664)	(19,189,972)
Placement Fee & Referral fee Paid	Motilal Oswal Securities Limited	–	–	12,002,835	14,285,000	12,002,835	14,285,000
	Motilal Oswal Wealth Management Pvt Ltd	–	–	66,204,561	33,415,827	66,204,561	33,415,827
	Motilal Oswal Financial Services Limited	4,862,779	4,869,456	–	–	4,862,779	4,869,456
Total Placement Fee & Referral fee Paid		4,862,779	4,869,456	78,207,396	47,700,827	83,070,175	52,570,283
Interest Paid	Motilal Oswal Financial Services Limited	2,815,940	131,428	–	–	2,815,940	131,428
	MOPE Investment Advisors Private Limited	17,623	–	–	–	–	–
Total Interest Paid		2,833,563	131,428	–	–	2,815,940	131,428
Reimbursement of expense (Received)/Paid	MOPE Investment Advisors Private Limited	–	(262,127)	–	–	–	(262,127)
	Motilal Oswal Real Estate Investment Advisors Pvt Ltd	–	1,167	–	–	–	1,167
	Motilal Oswal Financial Services Limited	–	4,172,058	–	–	–	4,172,058
Total Reimbursement of expense (Received)		–	(262,127)	–	–	–	(262,127)
Total Reimbursement of expense Paid		–	4,173,225	–	–	–	4,173,225
Loans Taken	Motilal Oswal Financial Services Limited	116,597,947	19,872,877	–	–	116,597,947	19,872,877
	MOPE Investment Advisors Private Limited	50,015,861	–	–	–	50,015,861	–
Total Loans Taken		166,613,808	19,872,877	–	–	166,613,808	19,872,877
Loans Repaid	Motilal Oswal Financial Services Limited	80,000,000	24,488,485	–	–	80,000,000	24,488,485
Total Loans Repaid		80,000,000	24,488,485	–	–	80,000,000	24,488,485

NOTES TO FINANCIAL STATEMENT

(in ₹)

Transaction	Name of the related Party	Holding / Intermediate / Ultimate Holding Company		Fellow Subsidiaries		Total	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Loan Taken Maximum Balance	Motilal Oswal Financial Services Limited	(71,130,515)	(13,911,061)			(71,130,515)	(13,911,061)
Total Loan Taken Maximum Balance		(71,130,515)	(13,911,061)			(71,130,515)	(13,911,061)
Investment Maximum Balance	Aspire Home Finance Corporation Limited	-	-	10		10	-
Total Investment Maximum Balance		-	-	10	-	10	-
Outstanding Balances:							
a) Other Receivable	Motilal Oswal Financial Services Limited	341,275	-	-	-	341,275	-
Total Other Receivables		341,275	-	-	-	341,275	-
b) Unsecured Loan Given / (Taken)	Motilal Oswal Financial Services Limited	(36,605,451)	(7,504)	-	-	(36,605,451)	(7,504)
	MOPE Investment Advisors Private Limited	(50,015,861)	-	-	-	(50,015,861)	-
Total Unsecured Loan Given / (Taken)		(86,621,312)	(7,504)	-	-	(86,621,312)	(7,504)
c) Other (Payables)/Receivable	Motilal Oswal Financial Services Limited	(1,979,989)	(2,945,013)	-	-	(1,979,989)	(2,945,013)
	Motilal Oswal Securities Limited	-	-	1,008,513	1,648,038	1,008,513	1,648,038
	Motilal Oswal Securities Limited	-	-	(9,784,163)	-	(9,784,163)	-
	Motilal Oswal Wealth Management Ltd	-	-	(44,571,982)	(5,497,322)	(44,571,982)	(5,497,322)
Total Other Receivables		-	-	1,008,513	1,648,038	1,008,513	1,648,038
Total Other (Payables)		(1,979,989)	(2,945,013)	(54,356,145)	(5,497,322)	(56,336,134)	(8,442,335)
Investment	Aspire Home Finance Corporation Limited	-	-	10		10	
Total Investments		-	-	10	-	10	-

Note : All Loans referred above are repayable on demand

Note 30 :

During the year, ₹ 29,33,300 (Previous year ₹ 29,28,420) has been recognised as Lease payment in the statement of Profit and Loss under the head "Rent"

"General description of lease terms: -" i) Lease rentals are charged on the basis of agreed terms." ii) Assets are taken on lease for a period of 1 year." iii) Lease agreements are cancellable and there is no escalation clause"

Note 31 :

The Company has unabsorbed business loss of ₹ 5,16,44,266/- (P.Y. ₹ 4,94,80,510/-) on which it has recognized Deferred Tax Assets (DTA) of ₹ 1,59,58,078/- (P.Y. ₹ 15,289,478/-). 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 Reality Excellence Fund II LLP, India Reality 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.

NOTES TO FINANCIAL STATEMENT

Note 32 : Activities in Foreign Currency

Since the Company is engaged in single segment i.e. Advising and managing real estate funds, there are no separate reportable segment as required under Accounting Standard – 17.

	For the year ending 31-Mar-16 (₹)	For the year ending 31-Mar-15 (₹)
Expenditure in foreign currency (on accrual basis)		
Travelling Expense	124,832	221,318
Lodging and Boarding Expenses	38,160	56,782
Total	162,992	278,100

Note 33 :

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

For Haribhakti & Co LLP

Chartered Accountants

ICAI Firm Registration No. 103523W

Amit A. Hundia

Partner

Membership No. 120761

Place : Mumbai

Dated : 23rd April 2016

For and on behalf of the Board of

Motilal Oswal Real Estate Investment Advisors II Private Limited

Motilal Oswal

Director

DIN No. 00024503

Vishal Tulsyan

Director

DIN No. 00139754

India Business Excellence Management Co.

Annual Report 2015-2016

INDEPENDENT AUDITORS' REPORT

To

The Members of the **INDIA BUSINESS EXCELLENCE MANAGEMENT COMPANY**

Report on the Financial Statements:

The financial statements comprising of the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow of India Business Excellence Management Co. (the Company) as on March 31, 2016, being a company registered in Mauritius, are audited by Ernst & Young, Certified Public Accountants and we have been furnished with their audit report dated 23rd April 2016, are certified by the management of the company.

We are presented with the financial statements 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 statements to comply with the requirements of the Companies Act 2013. We have audited the Balance Sheet of India Business Excellence Management Co. (the Company) as on March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year ended March 31, 2016 annexed thereto.

Management's Responsibility for the Financial Statements:

These financial statements 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 statements 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 statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. 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 statements and auditor's report thereon, these financial statements 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, 2016;
- b. In the case of the Statement of Profit and Loss of the profit for the year ended March 31, 2016;and
- c. In the case of Cash Flow Statement, of the cash flows for the year ended March 31, 2016.

For **P B K & CO.**
Chartered Accountants
Firm Registration No.:122394W

Premal H Gandhi
Partner
Membership No.111592

Place: Mumbai
Date: 23rd April, 2016

BALANCE SHEET

Balance Sheet as at March 31, 2016

	Note No.	As on 31-Mar-16 (₹)	As on 31-Mar-15 (₹)
I EQUITY AND LIABILITIES			
Share Holders' Funds :			
Share Capital	1	1,832,005	1,832,005
Reserve and Surplus	2	124,432,097	69,831,320
Current Liabilities			
Trade Payable	3	2,001,403	15,930,575
Other Current Liabilities	5	366,424	2,278,249
Short Term Provisions	4	(41,824)	218,489
TOTAL		128,590,105	90,090,638
II ASSETS			
Current Assets			
Current Investment	6	6,750	6,386
Trade Receivables	7	5,249,461	85,268,650
Cash and Cash Equivalent	8	341,343	4,240,706
Short Term Loan and Advances	9	122,992,551	574,896
TOTAL		128,590,105	90,090,638

Notes referred to above form an integral part of these financial statements
As per our report of even date.

As per our attached report of even date

For P B K & Co.
Chartered Accountants
Firm Registration No. 122384W

Premal H. Gandhi
Partner
Membership No. 111592
Place : Mumbai
Dated : 23rd April 2016

For India Business Excellence Management Co

Director

Place : Mauritius
Dated :

Director

Place : Mauritius
Dated :

STATEMENT OF PROFIT AND LOSS

Profit and Loss for the Period ended March 31, 2016

	Note No.	For The Period Ended 31-Mar-16 (₹)	For The Period Ended 31-Mar-15 (₹)
REVENUE:			
Revenue from Operations	10	177,786,441	187,220,566
Total Revenue		177,786,441	187,220,566
EXPENSES :			
Other Expenses	11	126,302,064	128,673,612
Total Expenses		126,302,064	128,673,612
Profit Before Tax		51,484,377	58,546,954
Tax Expenses :			
Provision for Tax		1,556,073	1,755,498
Profit for the Year/Period		49,928,304	56,791,456
Earnings Per Share (₹)			
Equity share of par value USD 1/- each			
Basic and Diluted		1,248.21	1,419.79
Notes referred to above form an integral part of these Financial Statements			

As per our attached report of even date

For P B K & Co.

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

Membership No. 111592

Place : Mumbai

Dated : 23rd April 2016

For India Business Excellence Management Co

Director

Place : Mauritius

Dated :

Director

Place : Mauritius

Dated :

CASH FLOW STATEMENT

Cash flow statement for the year ended March 31,2016

Particulars	For the Year ended 31st March 2016 (₹)	For the Year ended 31st March 2015 (₹)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	51,484,377	58,546,954
Adjustments for:		
Translation differences on foreign currency taken to reserves	4,672,473	1,549,142
Adjustment for working capital changes		
Increase/(Decrease) trade payable	(13,929,172)	(49,335,779)
Increase/(Decrease) other current liabilities	(1,911,825)	747,100
Increase/(Decrease) Short term Provision	–	218,489
(Increase)/Decrease trade receivables	80,019,189	(42,809,356)
(Increase)/Decrease short term loan and advances	(122,417,655)	5,709,871
(Increase)/Decrease current investment	(364)	(6,207)
CASH GENERATED FROM OPERATIONS	(2,082,977)	(25,379,785)
Taxes paid	(1,816,386)	(1,755,498)
NET CASH FROM OPERATING ACTIVITIES	(3,899,364)	(27,135,283)
NET CASH FLOW FOR THE YEAR	(3,899,364)	(27,135,283)
Cash and cash equivalents as at beginning of year:		
Balance with bank in current account	4,240,706	31,375,990
Cash and cash equivalents as at end of year:		
Balance with bank in current account	314,343	4,240,706

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 P B K & Co.

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

Membership No. 111592

Place : Mumbai

Dated : 23rd April 2016

For India Business Excellence Management Co

Director

Place : Mauritius

Dated :

Director

Place : Mauritius

Dated :

NOTES TO FINANCIAL STATEMENT

Note 1 : Share Capital

[All the above shares are held by Motilal Oswal Asset Management Company Limited, the holding company]

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Issued, subscribed and paid up :		
Equity shares of USD 1 each	1,832,005	1,832,005
(All of the above 40,000 equity shares are held by MOPE Investment Advisors Private Limited, the holding company)		
TOTAL	1,832,005	1,832,005

Note 2: Reserves & Surplus

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Foreign exchange translation reserve	7,448,596	2,776,123
	7,448,596	2,776,123
Revenue reserve		
Opening balance	67,055,197	10,263,741
Add: Transferred from Statement of Profit and Loss	49,928,304	56,791,456
	116,983,501	67,055,197
TOTAL	124,432,097	69,831,320

Note 3: Trade payable

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Advisory fees payable	2,001,403	15,930,575
TOTAL	2,001,403	15,930,575

Note 4: Short term provisions

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Provision for taxation	(41,824)	218,489
TOTAL	(41,824)	218,489

NOTES TO FINANCIAL STATEMENT

Note 5: Other current liabilities

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Others		
Creditors for expenses	366,424	391,591
Other payables	—	1,886,659
TOTAL	366,424	2,278,249

Note 6: Current investment

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
India Business Excellence Fund-I (200 Units of USD 0.01 each)	6,750	6,386
TOTAL	6,750	6,386

Note 7: Trade receivables

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Unsecured, considered good		
Trade receivables(Outstanding for less than six months)	5,249,461	85,268,650
Trade receivables(Outstanding for more than six months)	—	—
TOTAL	5,249,461	85,268,650

Note 8: Cash and bank balances

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Cash and cash equivalents		
Balances with bank	341,343	4,240,706
TOTAL	341,343	4,240,706

Note 9: Short term loan and advances

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Unsecured, considered good		
Prepaid expenses	122,992,551	574,896
TOTAL	122,992,551	574,896

NOTES TO FINANCIAL STATEMENT

Note 10: Revenue from operations

	For the Period ended 31-Mar-16 (₹)	For the Period ended 31-Mar-15 (₹)
Management and advisory fees	177,786,441	187,220,566
Total	177,786,441	187,220,566

Note 11: Other expenses

	For the Period ended 31-Mar-16 (₹)	For the Period ended 31-Mar-15 (₹)
Audit fees	239,416	440,601
Communication expenses	68,685	100,648
Foreign exchange fluctuation	(284,552)	352,986
Insurance	613,651	582,192
Legal and professional fees	2,510,859	2,077,730
Rates and taxes	737,741	661,696
Referral fees	7,200,272	11,162,726
Advisory and sub-advisory fees	114,377,121	112,199,544
Travelling and boarding expenses	370,244	534,541
Miscellaneous Expenses	468,627	148,116
TOTAL	126,302,064	128,673,612

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 Company has obtained authorisation from the FSC to act as CIS Manager to the India Business Excellence Fund-I (the Fund) under Section 98 of the Securities Act 2005 on 7 January 2009. 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 statements 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 statements of Motilal Oswal Financials Services Limited. These transactions should not be construed as representations that the USD amounts actually represent, or have been or could be converted into INR. 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 "the Fund" and as investment advisor to "Fund-IIA".

Note 13 : Significant accounting policies

(a) Basis of preparation

The financial statements 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.

NOTES TO FINANCIAL STATEMENT

(b) Use of Estimates

The preparation of financial statements 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 statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Any differences of actual results to such estimates are recognized prospectively in the current and future periods.

(c) Conversion to Indian Rupees

For the purpose of these financial statements, 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:

The Company had entered into an Investment Management Agreement with the Fund pursuant to the 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 the Fund;
- (ii) from the second year onwards during the Commitment Period 2% per annum of the aggregate Capital Commitment of the Fund; and
- (iii) after the Commitment Period, 2% per annum of the aggregate direct investment."

Advisory Income:

Under the terms of Advisory agreement dated July 13, 2011, the Company has been appointed by Fund IIA as Investment Advisor to manage its operations 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 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.

Sub advisory expenses:

The Company has entered in an Investment Sub Advisory Service Agreement with MOPE Investment Advisors Private Limited ("MOPE") on 4 May 2012. 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. Capital gains of the Company are exempt from tax in Mauritius.

NOTES TO FINANCIAL STATEMENT

The Company is centrally managed and controlled from Mauritius and is hence tax resident in Mauritius and holds a valid Certificate of Residence 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.

Note 14 : 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, 2016	For the year ended March 31, 2015
Net Profit attributable to equity shareholders [A] (₹)	49,928,304	56,791,456
Weighted Average of equity shares issued [B] (face value of ₹ 1 each)	40,000	40,000
Basic and Diluted Earnings per share [A/B] (₹)	1,248.21	1,419.79

Note 15 : Translation differences

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

Note 16 : 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 Private Limited
- Motilal Oswal Trustee Company Limited
- Motilal Oswal Insurance Brokers Private Limited
- Motilal Oswal Commodities Broker Private Limited
- Motilal Oswal Investment Advisors Private 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

NOTES TO FINANCIAL STATEMENT

- 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
- VISU Associates
- OSAG Enterprises LLP

ii) Transactions with related parties for the period ended March 31, 2016

Transactions	Name of the related Party	For the year ended March 31, 2016	For the year ended March 31, 2015
Advisory Fee	MOPE Investment Advisors Private Limited	114,879,919	112,199,544
Trade (Payables)	MOPE Investment Advisors Private Limited	(123,579,821)	(15,930,575)

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

Note 16 :

Previous year figures have been regrouped/rearranges to confirm to the current year classification

For P B K & Co.

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

Membership No. 111592

Place : Mumbai

Dated : 23rd April 2016

For India Business Excellence Management Co

Director

Place : Mauritius

Dated :

Director

Place : Mauritius

Dated :

Motilal Oswal Asset Management (Mauritius) Pvt. Ltd

Annual Report 2015-2016

INDEPENDENT AUDITORS' REPORT

To the Members of the **MOTILAL OSWAL ASSET MANAGEMENT (MAURITIUS) PRIVATE LIMITED**

Report on the Financial Statements:

The financial statements 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 Asset Management (Mauritius) Private Limited. (the Company) as on March 31, 2016, being a company registered in Mauritius, are audited by KPMG, Certified Public Accountants and we have been furnished with their audit report dated 20st April 2016, ,are certified by the management of the company.

We are presented with the financial statements 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 statements to comply with the requirements of the Companies Act 2013. We have audited the Balance Sheet of Motilal Oswal Asset Management (Mauritius) Private Limited. (the Company) as on March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year ended March 31, 2016 annexed thereto.

Management's Responsibility for the Financial Statements:

These financial statements 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 statements 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 statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. 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 statements and auditor's report thereon, these financial statements 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, 2016;
- b. In the case of the Statement of Profit and Loss of the profit for the year ended March 31, 2016;and
- c. In the case of Cash Flow Statement, of the cash flows for the year ended March 31, 2016.

For **P B K & CO.**

Chartered Accountants

Firm Registration No.:122394W

Premal H Gandhi

Partner

Membership No.111592

Place: Mumbai

Date: 20/04/2016

BALANCE SHEET

Balance Sheet as at March 31, 2016

	Note No.	As on 31-Mar-16 (₹)	As on 31-Mar-15 (₹)
I. EQUITY AND LIABILITIES			
Share holders' Funds :			
Share Capital	1	4,802,608	62
Reserves and Surplus	2	(4,014,026)	(385,194)
Share Application Money pending allotment		3,330,000	4,659,635
Other Current Liabilities	3	524,874	73,840
Total		4,643,456	4,348,344
Cash and bank balances	4	1,657,690	2,606,816
Short Term Loans and Advances	5	2,985,765	1,741,527
Total		4,643,456	4,348,343

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

As per our report of attached even date

For P B K & Co.

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

Membership No. 111592

Place : Mumbai

Dated : 20th April 2016

For Motilal Oswal Asset Management (Mauritius) Pvt. Ltd

Director

Director

STATEMENT OF PROFIT AND LOSS

Statement of Profit and Loss for the period ended March 31, 2016

	Note No.	For The Period Ended 31-Mar-16 (₹)	For The Period Ended 31-Mar-15 (₹)
REVENUE :			
Revenue from Operations		–	–
Other Income		–	–
Total Income		–	–
EXPENSES :			
Other Expenses	6	3,614,602	417,950
Total expenses		3,614,602	417,950
Profit/(Loss) before taxation		(3,614,602)	(417,950)
Prior year income			
Profit/(Loss) before extraordinary items and tax		(3,614,602)	(417,950)
VIII. Extraordinary Items			
V. Profit / (Loss) before tax (VII- VIII)		(3,614,602)	(417,950)
Tax expense:			
Current Tax		–	–
MAT credit entitlement		–	–
Deferred tax		–	–
Profit / (Loss) for the year/ period		(3,614,602)	(417,950)
Basic and Diluted Earnings Per Share			
Notes referred to above form an integral part of these financial statements			

As per our report of attached even date

For P B K & Co.

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

Membership No. 111592

Place : Mumbai

Dated : 20th April 2016

For Motilal Oswal Asset Management (Mauritius) Pvt. Ltd

Director

Director

CASH FLOW STATEMENT

Cash Flow Statement for the year ended 31st March, 2016

Particulars	For the Year ended 31st March 2016 In ₹	For the Year ended 31st March 2015 In ₹
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	(3,614,602)	(417,949)
Adjustment for FCTR	(14,230)	32,755
Increase/(Decrease) in trade payables	451,034	73,840
(Increase)/Decrease in short-term loans and advances	(1,244,238)	(1,741,527)
CASH GENERATED FROM OPERATIONS	(4,422,037)	(2,052,881)
NET CASH FROM OPERATING ACTIVITIES	(4,422,037)	(2,052,881)
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received on fixed deposits	—	—
Purchase of fixed assets	—	—
Dividend income	—	—
NET CASH FLOW FROM INVESTING ACTIVITIES	—	—
CASH FLOW FROM FINANCING ACTIVITIES		
Equity share capital received	—	—
Increase in share capital	4,802,546	62
Share Application Money pending allotment	(1,329,635)	4,659,635
Interest paid	—	—
NET CASH FLOW FROM FINANCING ACTIVITIES	3,472,911	4,659,698
NET CASH FLOW FOR THE YEAR	(949,126)	2,606,816
Cash and bank balance		
Cash on hand	—	—
Scheduled Bank - in current account	2,606,816	—
Total Cash and bank balances as at beginning of year	2,606,816	—
Cash and bank balances as at end of year :		
Cash on hand	—	—
Scheduled Bank - In Current Account	1,657,690	2,606,816
Total Cash and bank balances as at end of year	1,657,690	2,606,816

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 P B K & Co.

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

Membership No. 111592

Place : Mumbai

Dated : 20th April 2016

For Motilal Oswal Asset Management (Mauritius) Pvt. Ltd

Director

Director

NOTES TO FINANCIAL STATEMENT

Note 1 : Share Capital

	As at 31-Mar-16		As at 31-Mar-15	
	Number of Shares	(₹)	Number of Shares	(₹)
AUTHORISED				
Equity Shares of USD 1 each	1	–	1	62
Issued, Subscribed and Paid Up :				
Equity Shares of USD 1 each fully Paid up	75,000	4,802,608	1	62
Total	75,000	4,802,608	1	62

[All the above shares are held by Motilal Oswal Asset Management Company Limited, the holding company]

Note 2: Reserves & Surplus

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
a) Foreign Currency Translation Reserves		
Opening balance	32,755	–
Add:- Gain/(loss) on translation during the period	(14,230)	32,755
Closing balance	18,525	32,755
b) Profit/(Deficit) in the statement of profit and loss		
Opening balance	(417,949)	–
Add: Net profit / (loss) transferred from Statement of Profit and Loss A/C	(3,614,602)	(417,949)
Closing balance	(4,032,552)	(417,949)
TOTAL	(4,014,026)	(385,194)

Note 3 : Other Current Liability

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Creditors for Expenses	524,874	73,840
Total	524,874	73,840

Note 4 : Cash and bank balances

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Cash and cash equivalents		
Cash on hand	–	–
Balances with banks		
– In current accounts	1,657,690	2,606,816
Total	1,657,690	2,606,816

NOTES TO FINANCIAL STATEMENT

Note 5: Short term loans and advances

	As at 31-Mar-16 (₹)	As at 31-Mar-15 (₹)
Prepaid expenses	433,667	500,082
Advances	2,552,098	1,241,445
Total	2,985,765	1,741,527

Note 6: Other expenses

	For the Period ended 31-Mar-16 (₹)	For the Period ended 31-Mar-15 (₹)
Accounting fees	192,972	18,648
Legal and Professional Fess	–	11,236
Admin Fees	65,414	13,966
Bank charges	66,036	6,403
Corporate secretary fees	91,580	19,552
Directors fees	163,536	34,914
FSC fees - GBL and CIS	276,048	132,561
MLRO fees	81,768	17,457
Professional fees	11,861	–
Registered office fees	32,707	6,983
ROC Fees	22,079	12,484
Set up fees	–	93,247
Taxation fees	–	31,082
TRC fees	45,790	19,416
Retainer fee	1,962,426	–
Audit fees	261,657	–
Other Expenses	340,729	–
Total	3,614,602	417,950

Note 7 : Background

Motilal Oswal Asset Management (Mauritius) Private Limited ('The Company') was incorporated in Mauritius on January 08, 2015 (Co. No.127396) as a private company limited by shares and holds a Category1 Global Business Licence and Collective Investment Scheme ("CIS") Manager License issued by the Financial Services Commission of Mauritius. The principal shareholder of the Company as at March 31, 2016 is Motilal Oswal Asset Management Company Limited (MOAMCL) and the principal activity of the Company is to conduct business as a CIS manager.

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

Note 8 : Significant accounting policies

(a) Basis of preparation

The financial statements 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.

NOTES TO FINANCIAL STATEMENT

(b) Use of Estimates

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

(c) Conversion to Indian Rupees

For the purpose of these financial statements, 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 9 : Taxation

No provision for the current tax has been made in view of taxable loss for the period.

Note 10 : 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, 2016	For the year ended March 31, 2015
Loss attributable to equity shareholders (₹)	(3,614,602)	(417,950)
Weighted average number of equity shares outstanding during the year	65,984	1
Nominal value per share (₹)	64.03	62.13
Earnings / (Loss) per share (Basic and diluted) (₹)	(54.78)	(6,727.11)

NOTES TO FINANCIAL STATEMENT

Note 11 : Translation differences

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

Note 12 : Related parties transactions

(i) Relationships during the period

- A) Enterprises where control exists
- Motilal Oswal Asset Management Company Limited – Holding Company
 - Motilal Oswal Securities Limited – Holding Company of Motilal Oswal Asset Management Company Limited
 - Motilal Oswal Financial Services Limited – Holding Company of Motilal Oswal Securities Limited
 - Passionate Investment Management Private Limited - Ultimate Holding Company
- B) Fellow subsidiaries with whom transactions have taken place
- None

ii) Transactions with related parties for the period ended March 31, 2016

Transactions	Name of the related Party	For the year ended March 31, 2016	For the year ended March 31, 2015
Share Capital Subscribed	Motilal Oswal Asset Management Company Limited	4,802,546	62
Share Application Money pending Allotment	Motilal Oswal Asset Management Company Limited	–	4,659,635
Total		4,802,546	4,659,697

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

Note 13 :

The following preleminary expenses and incorporation expenses are debited to Statement of Profit & Loss account:

Description of Expenses	For the year ended March 31, 2016	For the year ended March 31, 2015
Corporate secretary fees	91,580	19,552
FSC fees - GBL and CIS	276,048	132,561
MLRO fees	81,768	17,457
Registered office fees	32,707	6,983
ROC Fees	22,079	12,484
Set up fees	–	93,247
Total	504,181	282,284

As per our report of attached even date

For P B K & Co.

Chartered Accountants

Firm Registration No. 122384W

Premal H. Gandhi

Partner

Membership No. 111592

Place : Mumbai

Dated : 20th April 2016

For Motilal Oswal Asset Management (Mauritius) Pvt. Ltd

Director

Director



**SUBSIDIARY COMPANIES
ANNUAL REPORT 2015-16**

www.motilaloswal.com
